

The NATIONAL UNDERWRITER



*120 Words
to Fit
120 Years*

A company's material assets are reckoned in dollars. Its inherent strength is reckoned in time, and only time can prove its ability to meet and to survive conflagrations, panics and hard times. Every trial and critical situation for 120 years has made the "Pennsylvania Fire" stronger. Always it has met its obligations one hundred cents on the dollar.

Born in 1825 on Independence Square, Philadelphia, this January 26th marks the 120th Anniversary. On the threshold of its 121st year the company looks forward with confidence to the future, resolved to maintain the traditions of the past and the prestige of the present, secure in the loyalty and support of its agents, without whom there could have been no real progress.

THE PENNSYLVANIA FIRE INSURANCE COMPANY

[Established 1825 on Independence Square, Philadelphia, and on the same site ever since]



THURSDAY, JANUARY 25, 1945

... CEILING UNLIMITED! ...

**ACCIDENT INSURANCE
THAT FULLY PROTECTS
YOU WHILE FLYING**

RATES • AVIATION ACCIDENT INSURANCE

PASSENGERS		PILOTS	
AIRLINE TRAVEL		CIVILIAN PRIVATE PILOTS AND STUDENTS	
EACH \$1000 DEATH AND DISMEMBERMENT	\$1.20	DEATH AND DISMEMBERMENT	BLANKET MEDICAL
FIRST 500 BLANKET MEDICAL	2.00	\$1,000	\$500
EACH 100 ADDITIONAL BLANKET MEDICAL	.40	3,000	500
EACH 5 WEEKLY INDEMNITY	.50	5,000	500
		7,500	500
		10,000	500
		15,000	1,000
		25,000	1,500
			134.00
PRIVATE PLANES		ADDITIONAL COVERAGE	
EACH \$1000 DEATH AND DISMEMBERMENT	\$3.60	EACH \$1000 DEATH AND DISMEMBERMENT	\$5.00
FIRST 500 BLANKET MEDICAL	5.00	EACH 100 BLANKET MEDICAL	.40
EACH 100 ADDITIONAL BLANKET MEDICAL	.40	EACH 5 WEEKLY INDEMNITY	1.00
EACH 5 WEEKLY INDEMNITY	1.00		
		ADDITIONAL COVERAGE	
		EACH \$1000 DEATH AND DISMEMBERMENT	\$10.00
		EACH 100 BLANKET MEDICAL	.70
		EACH 5 WEEKLY INDEMNITY	2.00

RATES FOR OTHER TYPES OF FLYING ON REQUEST • MINIMUM PREMIUM \$10.00

**YOUR NAME
HERE**

Indemnity Insurance Company of **NORTH AMERICA**

This Page is a reproduction of a 4-color Poster which is available for Indemnity Agents' use in promoting Air Travel Accident Insurance. The Agent's name is imprinted if 10 or more are

requested. Are you selling Indemnity Insurance Company of North America Aviation Accident Insurance? If not, get in on the ground floor! The Air Age has begun!

Urges Investigation of Alleged Insurance "Evils"

**Accusations of Critics
Should Be Confirmed or
Exploded, Schmidt Says**

NEWARK — Insurance buyers are concerned with the criticisms of the way in which the insurance affairs of the country have been conducted and since because of both the persistency and seriousness of many of the accusations, as a group they think they should be either confirmed or exploded, A. M. Schmidt, insurance manager Johns-Manville Corp. and vice-president American Management Association in charge of the insurance division, New York, told the Essex County Insurance Agents Association. Buyers have been just as vocal along this line as any other group and that is all the more reason for them to find out if their criticisms are justified, he said. Reviewing the more important of the so-called "evils," Mr. Schmidt listed them as: The lack of adequate progress under the existing insurance system in the matter of loss prevention; cost of insurance; difficulty in getting the kind of insurance coverage desired; adverse comments on insurance rating organization and procedure.

The problems of an insurance buyer and an agent are very similar. For any number of corporations, the agent acts as the buyer and cooperation between them is essential. As insurance manager for a large corporation, he said it is his duty to know that he is obtaining the proper insurance coverage at the right cost. With industry operating seven days a week, 24 hours a day, it is essential that losses be kept to a minimum. This means larger payrolls and greater concentration of values in factories, buildings, equipment and inventories. This increases the cost of insurance and if investigation proved that premiums were excessive, the insurance manager and his agent would be on the spot. With the growth of supervision, setting up of more exacting financial standards, improvement of rating methods, and the stabilization of rates under statutory regulation, the various branches of insurance now comprise numerous companies offering indemnity so sound that there is little choice among them, he declared.

Replacement Theory Fallacious

If there were no losses, there would be no need for insurance. Too many people have lost sight of the goal which this suggests. By eliminating preventable losses, automatically the demands on insurance can be curtailed. Insurance does not actually replace values lost through injury or destruction of property and life. The first concern should be the conservation of economic values and this can only be done through intensive and effective loss prevention measures.

"I do not visualize a loss free country, but I am firmly convinced that a diligent campaign to curb destruction of property and life would yield handsome dividends," he said. "A successful solution will not necessarily reduce national insurance requirements. On the contrary, the need for protection might be as great, but the expense of

(CONTINUED ON PAGE 31)

N.A.I.A. Passes 19,000 Mark in Membership

Membership in the National Association of Insurance Agents officially went over the 19,000 mark this week through the addition of 18 new members from the South Dakota association. Leonard F. Whelan, Greenwich, Conn., is chairman of the N.A.I.A. membership committee.

J. B. Wickstrom of Edgemont, S. D.,



L. F. WHELAN

a town of only 1,000 population, was the 19,000th member.

Although no goal has been officially set this year, the National association should reach 20,000 member agencies in 1945, Mr. Whelan said. Every assistance is being given state membership workers by territorial chairmen of the membership committee and National association headquarters.

Mr. Whelan said that a national membership month will be held in May, during which it is expected that all state associations will concentrate on their particular membership objectives.

Robinson Deputy of Ohio Department

COLUMBUS—Walter A. Robinson, actuary of the Ohio insurance department, has been named deputy superintendent of insurance by Walter Dressel, who was named superintendent by Governor Lausche last week. Mr. Robinson has been with the department 35 years, the last 25 as actuary, and is widely known and respected among insurance men. C. T. Werner, who was his assistant, has been named actuary. Mr. Robinson succeeds Ray S. Bates, who has been with the department 12 years. Mr. Bates was chosen deputy superintendent to succeed J. Roth Crabbe, when the latter was named superintendent upon the retirement of John A. Lloyd.

Superintendent Dressel also has named Lester McDaniels of Forest as financial officer to succeed Thomas L. Woods of Steubenville.

MCCORMACK RENAMED IN TENN.

NASHVILLE—Governor McCord has reappointed James M. McCormack as commissioner of insurance. Commissioner McCormack received his first appointment six years ago at the beginning of the term of Governor Cooper. Prior to that he was vice president of C. R. Weir & Co., Memphis.

Wis. Agents, Bankers Confer on Financing

**Plan to Be Worked Out
for Full Cooperation
Between Two Interests**

MILWAUKEE—Officers and members of the executive committee of the Wisconsin Association of Insurance Agents met here with officials of the Wisconsin Bankers Association for a frank discussion of mutual problems relating to insurance and financing of automobiles, airplanes, household appliances, building remodeling and other deferred payment projects after the war. According to Jack Rowland, Racine, state president, the slogan adopted is "Borrow Money from Your Banker; Carry Your Insurance with Your Insurance Agent."

Common grounds of mutual interest to banker and agent were established. The meeting brought out that the bankers definitely do not want to go into the insurance business; that financing and insurance should be handled locally; that the agents must work out some plan so as to give the bankers full protection at fair rates; that agents must cooperate among themselves, and that agents should let the buying public know that the banks are interested in financing automobiles and similar commodities. In the near future the Wisconsin association hopes to submit to the bankers association a state-wide plan for their consideration. Acceptance would greatly benefit the agents by getting a large amount of automobile business back on their books. There has been much clarification in the understanding between the banks and the insurance agents as the result of the joint meeting, Mr. Rowland said.

Expanded activity of the Wisconsin agents group, as outlined at the annual meeting here in October, included a plan to employ a full-time secretary and enlarge the association work. Progress has been made in this direction, the first step having been the adoption of a new schedule of dues to finance the proposals when adopted. Already five men have been interviewed for the position of full-time secretary.

The new schedule of dues is on a sliding scale, including both state and national dues, and based on fire, casualty and surety premiums of the member. The schedule is as follows: \$10 on premium income up to \$10,000; \$20 up to \$20,000; \$30 up to \$30,000; \$50 up to \$50,000; \$100 up to \$100,000; \$150 up to \$200,000; \$200 on over \$200,000. Each member determines his own classification. Some changes may be made in this schedule, possibly at the next annual meeting after a year's trial which will establish its practicability.

Underwriters Adjusting Holds Annual Meeting

Earl Gibbs, western manager of Boston and Old Colony was elected a vice-president of Underwriters Adjusting at the annual meeting in Chicago. He takes the place of Vice-president F. W. Doremus of American. B. A. Jochen, western manager of American, replaces Mr. Doremus as a director. T. A. Pettigrew was reelected president; Harold Pettigrew, secretary-treasurer; K. C. White, assistant secretary-treasurer, and H. A. Clark, western manager of Firemen's, was reelected a vice-president.

President Pettigrew reported that during 1944 Underwriters Adjusting handled a greater number of fire losses and the volume of loss was up. That was also true of marine and automobile but windstorm losses were fewer in number and less in volume.

Good Auguries for New Federal Compromise Bill

**Senate Judiciary Group
Reports Favorably—O'Mahoney Hints Acceptance**

WASHINGTON — The McCarran-Ferguson bill, representing compromise and agreement of state insurance commissioners and practically all branches of the insurance industry, was ordered favorably reported by the Senate judiciary committee Monday afternoon.

Senator Revercomb, West Virginia, made the motion to report, which was put by Chairman McCarran and carried.

There was no roll call, but the vote was understood to be unanimous.

McCarran said no other motion was made; that the O'Mahoney bill was not voted on.

"O'Mahoney is for this bill," he said.

No Objection Heard

There was some discussion of insurance legislation after the committee vote, but no objection, it was said.

The only change made by the committee in the bill was to insert the words "agreement or" before "act of boycott, coercion or intimidation" in section 4-B. This would render the Sherman anti-trust act not inapplicable to such agreements or acts.

That Attorney General Biddle will "go along" on the McCarran-Ferguson compromise agreement measure was indicated by administration Senators, although McCarran had previously said that Biddle was opposed to it.

O'Mahoney Gives Way

While certain insurance interests objected to section 4-B of the O'Mahoney bill, providing for advance state approval of rates, agreements, etc., O'Mahoney took the view that that section was in the interest of the insurance industry. If the industry did not want the section, O'Mahoney indicated that would be satisfactory to him.

Administration Senators were said to be so pleased with the progress made in the industry, as represented by the compromise bill, with the general recognition of the necessity for legislation, and the spirit of give and take said to have been manifested all around, that they were not disposed to press the O'Mahoney bill.

Report Filed Tuesday

McCarran filed with the Senate Wednesday the committee report recommending S.340 before he left for the west to be absent two or three weeks.

At the suggestion of O'Mahoney, the judiciary committee agreed there should be set up a regular standing subcommittee on insurance. Industry representatives believed this indicated that more insurance legislation may be contemplated following S.340.

Since O'Mahoney made the suggestion, if the usual Senate procedure is followed, he would become subcommittee chairman.

McCarran's absence indicated possible delay in getting action on the bill, as customarily a member reporting a bill handles it on the floor.

If this is the way things work out industry representatives will be disappointed, because they had been hoping

(CONTINUED ON LAST PAGE)

S.E.U.A. Case Back of Many Dineen Proposals

**Extensive Legislative
Program Advanced by
N. Y. Department**

NEW YORK—The Southeastern Underwriters Association decision looms up as the common denominator of much of the New York department's lengthy legislative program, particularly the more important bills. It shows up in two general ways. First, Superintendent Dineen is clearly aiming at giving permissible rate-making procedures the protection of the Supreme Court's *Parker vs. Brown* doctrine that concerted actions that would be illegal if individuals or corporations undertook them on their own do not violate the anti-trust laws if sanctioned or required by the state. Second, whether the general strengthening and refining of the state's regulatory power, which is sought in many of the bills, grew out of the S.E.U.A. decision or not, the result should be to minimize any complaint that state regulation, in New York at least, is not doing its job and should be superseded by federal control.

The proposed amendments to section 187, which would bring inland marine business within the scope of the state's rating laws, is the outstanding example of the first type of legislation. In his accompanying memorandum, Superintendent Dineen pointed out that marine business is not subject to rate regulation and as far as ocean marine is concerned Congress gave a special exemption permitting companies to cooperate without being in violation of the anti-trust laws. However, he said that inland rates should be regulated, that where there are class rates or rating plans these should be filed, also where the volume is limited or there are special risks it should be possible to justify the rates that are charged.

Socony Vacuum Case

He referred to the Supreme Court decision in the Socony Vacuum case to the effect that cooperative price fixing is illegal per se but said that the *Parker vs. Brown* case would permit the inland marine underwriters to act in concert on rates if they had departmental approval and that the bill would give protection to the state, the insurers and the public by legitimizing cooperative rate making procedures.

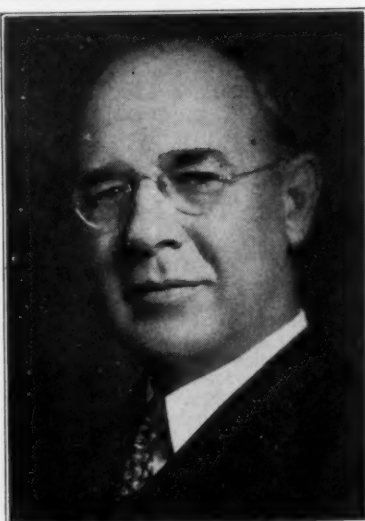
Somewhat the same considerations seem to apply in the proposed amendment to sections 181 and 182. The first would require insurance rating organizations to provide a hearing for members or subscribers for their governing committee or similar body on questions of their rights, privileges or obligations and would give the insurance superintendent the right of reviewing and rescinding or modifying these provisions.

The second does the same for insurance service organizations. The effect of both these bills would be to make actions by these organizations tantamount to acts of the state and hence not illegal under the anti-trust laws. Similarly, the bill providing for a new section 184 would remove any possible contention that rating organizations take cooperative action on rejecting proposed changes in coverage, rules, rating plans or anything else without the department being able to do anything about it.

This new section would require rating organizations and insurers to file with the department rates and rating information and would permit the su-

(CONTINUED ON PAGE 12)

Eagle Star Manager Is Soon to Retire



HARRY G. CASPER

Eagle Star, which recently withdrew from the United States for fire and allied lines, has arranged for the retirement of Harry G. Casper, its United States manager, on a very satisfactory basis. Mr. Casper is currently engaged in winding up the operations of his office, which will take from 60 to 90 days.

Start Formation of Midwest Insurance Buyers Group

Preliminary details in the formation of an organization of those who manage the insurance departments of large assured in the midwest were completed at a meeting this week in Chicago. The election of officers and the first program will be held Feb. 20, and the third Tuesday of each month tentatively was set for subsequent gatherings.

A committee was appointed to draw up a constitution and by-laws, consisting of M. G. Erickson, Quaker Oats Co., chairman; R. S. Bass, A. E. Staley Manufacturing Co., Decatur, Ill., ex-officio; Arthur Murray, Container Corporation; R. E. Snodgrass, International Harvester; N. S. Morris, Jewel Tea Company, Barrington, Ill., and T. J. Sullivan, assistant secretary Inland Steel. The nominations committee is composed of J. H. Wamsley, Borg-Warner Corporation, with Don L. Powell, U. S. Gypsum; Harvey Yarmak, Chicago Mail Order Co.; Mr. Erickson, and A. L. Kirkpatrick, insurance editor of the Chicago "Journal of Commerce," who was temporary chairman of the meeting as members. The temporary program committee is headed by Mr. Wamsley.

The sentiment of insurance buyers was that they should have a midwest organization, that the program should be a combination of talks by authorities on various insurance lines supplemented by discussion, and that affiliation with a national organization should be left for future action. The general opinion was that the group should not permit itself to become a pressure organization with political tinge or for the purpose of securing special advantages.

Neel Before Pittsburgh Club

PITTSBURGH—Commissioner Neel of Pennsylvania addressed the Insurance Club of Pittsburgh at its meeting, marking the tenth anniversary of club sponsorship of insurance education.

A "must" for every A. & H. man's library—"Planned Salesmanship," by Cousins. \$3.00 from National Underwriter.

Ask Congress to Define Area of Its Commerce Powers

LANSING—A resolution, requiring concurrence of both houses to memorialize Congress to "designate the limits beyond which the Congress and administrative agencies of the United States shall not go in exercise of the power given to Congress to regulate interstate commerce," has been introduced in the Michigan legislature by Senator Nichols. Although insurance is not mentioned, the resolution, of course, is pertinent to the current insurance situation.

"Whereas, such increasingly liberal interpretations have been put on the 'commerce clause' by the Congress and the courts," the resolution states, "to the extent that it is said now to extend to anything affecting interstate commerce" and such liberal interpretations have led to encroachment by administrative boards of the United States upon the rights of the states . . . making "it extremely difficult for all who are engaged in trade that affects interstate commerce" . . . It is noted that this situation has created a "state of uncertainty" resulting in "chaotic conditions in intrastate trade and commerce." The resolution would place the legislature on record as requesting that, in view of these conditions, the Congress "so redefine its powers under the interstate commerce clause as to prevent further encroachment upon rights of the states and to ameliorate the chaotic conditions under intrastate commerce as now conducted."

Sims Writes to Congressmen

Commissioner Sims of West Virginia, who has taken a lone wolf position on federal legislation, has sent a message to Congressmen urging that they move with extreme caution "and not pass any laws which will provide a loophole through which these insurance companies can continue their monopolistic and price fixing operations." He said he favors a law which will force all insurance transactions into the hands of the states for regulation under whatever laws have been adopted. He estimated that 40% of the value of all property in West Virginia is covered by fire insurance that is written outside of the state in "interstate commerce," and that the West Virginia regulations have been evaded.

25-Year Man

James E. Guy has completed 25 years with America Fore and was guest of honor at a dinner given at Chicago.

Vice-president E. A. Henne presided as toastmaster and welcomed Mr. Guy into the ranks of the "Old Guard." He presented Mr. Guy with a wrist watch and a gold lapel button.

Mr. Guy was employed by Fidelity-Phenix to organize the automobile department which he supervised until the consolidation of managements of the America Fore companies in 1925. For a short time he was field superintendent of the combined automobile departments and in 1927 was promoted to manager of the automobile departments.

Previous to his association with America Fore Mr. Guy was connected with Royal.

He is a past president of the Automobile Superintendents Club and past most loyal gander of the Illinois Blue Goose.



JAMES E. GUY

K. S. Ogilvie's Base for Norwich Union Changed to Chicago

NEW YORK—To facilitate contact with field men and agents in the western department and promote closer control of operations and further development of business in that territory, the Norwich Union group is transferring General Agent K. S. Ogilvie to Chicago Feb. 1, where he will be in charge of the western department with full executive authority and will represent the companies' membership in various supervising and service organizations in that territory.

Started in Western Field

At the same time, Mr. Ogilvie, who has had supervision at the home office over western and southern territory, will relinquish supervision of the southern department, which for the time being will be under the direction of executives in the New York office. In Chicago Mr. Ogilvie will have his headquarters in the Norwich Union office, A1161 Insurance Exchange Building.

Mr. Ogilvie began his insurance career as a special agent in Kansas and Missouri with Royal in 1920 under William M. Frink, then agency superintendent in the Royal's western department and now U.S. manager of Norwich Union. In 1923 he went with North British as a special agent in Missouri and in 1927 joined Norwich Union as state agent in Missouri.

General Agent Since 1936

Norwich Union in 1930 placed him in charge of the Chicago office and he held that position until 1936, when he went to the home office in New York as general agent for western and southern departments. Mr. Ogilvie was born in Lincoln, Neb. and was brought up in Topeka, Kan. He has two sons in the armed forces. Sgt. Richard Ogilvie, a tank commander in the European theater, was recently wounded but is recovering. Cpl. Robert Ogilvie is in the marines and is serving in the Pacific theater.

Retaliatory Law Repeal Asked by Garrison of Cal.

SAN FRANCISCO—Repeal of California's retaliatory tax law and other retaliatory provisions is being sought by Insurance Commissioner Garrison in legislative proposals which he will sponsor. These laws are operative only where a foreign state imposes discriminatory taxes or burdens upon foreign insurers, in which event the same discriminatory taxes or burdens are imposed upon insurers of such state doing business in California. "Grave doubt now exists, however, as to the validity of laws imposing discriminatory taxes or burdens on foreign insurers in view of the likelihood of their being construed as unduly burdening interstate commerce," the commissioner points out. The commissioner therefore feels that California, as proof that in its desire to retain state supervision and taxation of insurance it has no intention to unduly burden interstate commerce, should repeal these retaliatory laws.

Lintala Heads Mutual Club

Tauno M. Lintala of the Mill Mutuals has been elected president of the Mutual Insurance Club of Columbus, succeeding W. A. Loar, Motorists Mutual. K. J. Gibney, Republic Mutual, is vice-president, and A. B. Gruner, Pioneer Mutual, is secretary-treasurer. The club has been active for 16 years.

O'Mahoney Appears Before Washington Insurance Club

Wyoming Senator Claims to Be Free Enterprise Champion

WASHINGTON—"The time is here when such a bill can be passed and signed," Senator O'Mahoney of Wyoming told the Insurance Club of Washington at its monthly luncheon meeting. He was referring, generally, to a measure similar to that proposed by the state insurance commissioners, or his own bill. The senator said the National Association of Insurance Commissioners suggested legislation "seemed to have a lot of merit in it."

He said he had discussed it with the Attorney General and the commissioners. Discussions finally terminated, O'Mahoney said, in the President's letter to Senator Radcliffe "in which the President said he would be willing to sign such a bill."

"There is no hidden trick in the bill I introduced," the Senator declared, "no covert purpose to go around the corner and do something not disclosed on the face of things. The cards are on the table. We should not, with respect to insurance, set a precedent we know would be evil in other industries..." referring to the proposal for complete anti-trust law exemption for insurance.

"The temporary national economic committee never studied fire," said O'Mahoney, adding with a twinkle, "maybe that was an oversight. Fifteen companies control 75% of life insurance company assets. There is concentration in the fire group."

Opposed to Regimentation

"I am as much opposed to regimentation by government as any business leader in the world," he said at another point, "and I know there is nothing to be gained by the people of the United States if we permit a system to grow up in which regimentation is promoted by some segments of industry."

The nation can choose between free enterprise, private monopoly or state control, O'Mahoney declared. "We don't want state control here, nor private monopoly; we want free enterprise." That would open the door of opportunity to 11 million boys in the armed forces, he claimed. Interfering with that opportunity, he concluded, would be a condition of non-competition, agreements to divide territory, to fix premiums and commissions.

At the conclusion of his speech, Senator O'Mahoney was greeted with applause from the standing audience, and President Ralph Lee gave the senator assurance of the club's cooperation. Lee had introduced O'Mahoney as the "man on the hill looking out for the interests of the insurance business."

The senator expressed the view that the "long battle" over insurance legislation had been due to "misunderstanding." He said: "Insurance should understand that people come first; your business is to protect people from loss. If insurance is to prosper, people must prosper. The better off people are, the more business insurance does."

Insurance and Aviation

Discussing modern air transportation miracles and the claim that any place on earth can be reached by plane within 100 hours, he said: "How about the insurance policy on the plane? Is that commerce? Is not there an interlocking there? No question about it."

(CONTINUED ON LAST PAGE)

Rauh Heads Cincinnati Agents

CINCINNATI—Frederick Rauh has been elected president of the Cincinnati Fire Underwriters Association and W. H. Alexander vice-president. Mr. Rauh is president of the Frederick Rauh agency, which was organized by his grandfather 75 years ago. He started in the agency under his father, Louis Rauh, in 1926 after graduating from Williams College.



Frederick Rauh

Mr. Rauh has served on the governing committee of the agents' association for four years. He was vice-president last year and general chairman of the committee in charge of the mid-year meeting for the National Association of Insurance Agents until it was abandoned.

Walter Alexander, secretary and trustee of the M. L. Alexander agency, represents the third generation in his agency. The firm was founded by his grandfather in 1889. His father, H. M. Alexander, is president of the agency now. Walter Alexander graduated from Armour Institute. He has served the association for many years in various capacities. For six years he has been chairman of the educational committee. He is president of the Underwriters Salvage Corps. Last year he was general chairman of the Chamber of Commerce fire prevention committee.

In addition to the newly elected president and vice-president, the governing committee of the association this year is G. B. Maggini, Gustav May, H. O. Roth and D. A. Streit.

Mutuals Pay \$1,130,590 on N. E. Hurricane Losses

BOSTON—The 23 companies in the Mutual Fire Insurance Association of New England already have paid \$1,130,590 on claims arising from the September hurricane in New England, and it is estimated total loss payments will be about \$1,600,000, according to R. C. Baker, executive vice-president of the association. Of 24,552 claims received, 19,301 have been settled in the four-month period since Sept. 14. Adjusters estimate the outstanding claims aggregate \$479,480, majority of which have not been settled, Mr. Baker said, because policyholders who owned summer homes in the stricken area were not immediately aware their property was damaged and are late in filing claims. By far the largest part of the \$1,600,000 will go to property owners on Cape Cod and in southern Massachusetts. Eastern Rhode Island and northern Connecticut are next, with scattered claims from other sections of the eastern seaboard.

The 1944 blow was not nearly as severe as that in 1938, he said. The average loss last year was \$59, or 45% less than the \$112 average in 1938. However, the number of claims last year was 500% greater and the dollar loss to the companies 300% more.

K.O. 10% Off Premises in Del.

The new No. 1 dwelling form is illegal in Delaware because of the 10% off premises cover, Attorney General Kelloran has ruled. He announced his decision in addressing a meeting of the Delaware Association of Insurance Agents at Wilmington.

F. R. Bell of Charleston, state national director of the West Virginia Association of Insurance Agents, made a visit to Chicago.

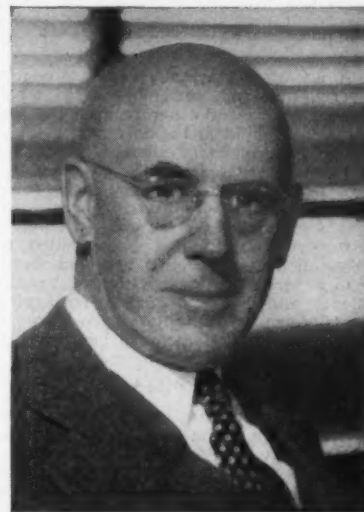
Income Tax Records build good-will. Write National Underwriter for samples.

Losses Increase in Size

1944 Windstorm Claims Down Slightly. Other Lines Up, Western Adjustment Reports

A reduction in the number of windstorm losses accounted for a slight decrease in the total number of losses handled by Western Adjustment in 1944 as compared with 1943. Otherwise, losses in each of the other important categories showed an increase.

At the annual meeting of directors of Western Adjustment, officers were reelected, J. C. Harding, Springfield Fire & Marine, president; E. A. Henne, America Fore, vice-president; R. A. Sellery, secretary-treasurer; R. R. Lip-



R. A. SELLERY

pincott, and J. H. Burlingane, Jr., assistant secretaries-treasurer. Mr. Sellery is general manager and Messrs. Lipincott and Burlingane assistant general managers of Western Adjustment.

1944 Total Was 286,462

The total number of losses in 1944 was 286,462, compared with 295,888; fire losses, 98,984 in 1944 against 94,357 in 1943; automobile, 56,306 against 54,372; windstorm, 112,664 against 128,920; inland marine, 18,341 against 17,897, and aircraft, 167 against 342.

After a quiet beginning the year rapidly became an active one. Fire losses increased in number and size and followed throughout the year in unbroken succession. Windstorm losses got under way in April in Peoria and Wichita and continued through September with serious damage to 22 cities in the organization's territory. Inland marine work grew. Greatly increased sums were involved in fire losses. There were difficulties in getting together with insured; troubles arose from new policies and new forms. Automobile losses, which apparently touched bottom in 1943, started upward for a reason not altogether clear but perhaps the result of too much use.

More Larger Losses

As in previous years, the report brings out, losses under \$1,000 accounted for nearly 86% of the total number. However, losses in the upper brackets, \$5,000 to \$50,000 and \$50,000 and above, were more frequent than ever before and involved far larger amounts with a consequent increase in loss ratio.

In dollars of loss, the two upper classes, \$5,000-\$50,000 and above \$50,000, represent about 40% of the total. Somewhat more than 1,300 losses in the \$5,000-\$50,000 class developed \$16,500,000 in losses and there were 123 fires of \$50,000 and up, with claims of close to \$19,400,000.

As heretofore defense plants and metal workers set the pace due principally to lack of maintenance and overloading.

There were 29 losses aggregating \$4,868,600. Other losses by line were:

Manufacturers of petroleum products and mining industry, four losses, \$643,000; brewing, distilling and allied industries, three losses, \$393,700; department stores and other mercantile and office risks, 20 losses, \$1,730,400.

Rosenbaum Loss \$2,158,000

Also, rubber manufacturers and kindred products, five losses, \$826,700; grain elevators and cereal products, nine, \$3,026,700, with the Rosenbaum elevator loss in South Chicago estimated at \$2,158,000, one of the major disasters of the year; paper mills, printing plants and textile manufacturers, four, \$529,000; public utilities and railroads, eight, \$1,020,600.

Also, fuel and builders' supply dealers, four, \$509,400; chain stores and mail order, three, \$192,500; theaters, hotels and clubs, eight, \$1,028,600; packing plants and dealers in food stuffs, four, \$798,300; schools and public buildings, six, \$391,400.

Also, woodworking plants and furniture factories, nine, \$1,078,800; paint and chemical plants, seven, \$2,336,700. One of the latter was for \$1,578,600.

The big catastrophes of the year was the Cleveland fire, Oct. 20, the report continues. In this loss the East Ohio Gas Company elected to reimburse those whose property was destroyed and used company adjusters to establish value and loss. All told more than 700 insured claims resulted, most of which have been settled without loss to the underwriters.

U. & O. and Rental Difficulties

A large number of the big losses in 1944 involved serious use and occupancy and rental problems. Not too many were for a long period of time because insured still seemed to possess the know how where war materials are concerned, and they did many surprisingly good jobs. However, the report states, priorities and actual shortage of basic raw materials proved exceedingly difficult to handle in certain cases and were expensive besides.

Coinsurance penalties, while not as bad as in some previous years on occasions were quite stiff in both U. & O. and property damage losses. It is apparent, the report points out, that there is still work to be done to bring insurance up to value and full protection for insured.

Lack of help, transportation problems, and scarcity of materials continue to make large losses slow to move and difficult to conclude. Many are still in the open files and are, of course, more expensive to adjust. The organization has 204 of its staff in service, and otherwise has lost manpower. The report emphasizes some of the salvage headaches that arose in 1944.

AUTOMOBILE

Ceiling prices, scarcity of products and labor, made adjusting in the automobile field in 1944 perplexing. The demand for pleasure and commercial cars and trailers exceeded the supply and has made it more difficult to agree on values in constructive total losses. However, stabilization in market prices created by OPA ceilings has proved helpful, the report states.

Perhaps the most important adjustment problem today owing to age and maintenance of cars is the elimination of accumulative damage and items due solely to wear and tear.

The salvage and subrogation department in 1944 on 2,412 losses aggregating \$505,012 made recoveries amounting to \$302,750, and on 1,095 salvage cases \$162,372 was recovered.

Western Adjustment in 1944 had ap-

(CONTINUED ON PAGE 15)

Pennsylvania Fire Observes 120th Anniversary

On Jan. 26 Pennsylvania Fire of the North British group, is observing its 120th anniversary. It was founded on that date in 1825 with a capital of \$200,000 subscribed in equal shares by 100 men, among them being many whose names are well known in the history of Philadelphia. The charter was perpetual.

The office of Pennsylvania Fire was established at 134 Walnut street, where it has been ever since, though the number now is 508-510 Walnut street. On Jan. 11, 1838, the Walnut street property was acquired, and the present front of the building was erected, in white marble, of Egyptian architecture, probably the only example now existing in the city.

Although fire insurance covering the contents of buildings, including merchandise, furniture, etc., had been written by Philadelphia companies for 30 years, this was the second Pennsylvania company organized to insure fire risks in general, unassociated with marine underwriting, so limited was the demand for insurance of this kind.

Branches Out

The new enterprise was received with decided favor by the investing public, and the company branched out at once into fire underwriting, advertising for business. It also went afield and solicited applications for insurance, offering to make the policies either permanent or limited. This was the beginning of the expansion of the fire insurance business, which was destined to take the lead in its race with marine underwriting.

James Y. Humphreys received perpetual policy No. 1, dated March 7, 1825, covering a brick house and card factory at 86 South Front street, Philadelphia, for \$2,000 at 2½%.

The first loss occurred June 30, 1825, when, under policy No. 22, the company paid \$1,350 on a \$2,000 policy. Total claims paid to date aggregate more than \$99,039,000.

The last installment of the subscribed capital stock of Pennsylvania Fire, amounting to one-half of the total subscription, was not called until early in 1837, at about the beginning of the panic of 1837. At the close of 1845 assets amounted to \$581,436.

Early History

In the great Philadelphia fire of 1850 the company lost only \$15,000. Although it had not yet attempted an agency business, its policies were well distributed. It was not until 1867 that the company undertook to extend its business through establishing agencies in other states. In 1863 capital was increased to \$400,000.

The company escaped the great fire in Chicago in 1871, but suffered heavily in the Boston fire of 1872, where total losses were \$550,880. Its policy of prompt loss settlements led to a heavy increase in the company's business, and by the close of 1873 it had a net surplus of \$121,538.

In the Baltimore conflagration of 1904, the company was called upon to pay losses totalling \$375,000, and in the San Francisco fire of 1906 approximately \$4,000,000 on 2,687 claims. Claims were settled promptly.

The company's policy has always been one of sound underwriting and conservative investment. As of last June 30 assets were \$17,257,022 and surplus to policyholders \$9,761,582.

Seek Cal. Policy Change

LOS ANGELES—Two bills have been introduced in the California legislature relative to the California standard fire policy, the first providing for the deletion of the fallen building clause and the other making some amendments of lesser importance.

Need Automatic U. & O. Cover at New Storage Locations

War conditions, which have forced many assured to handle their stocks, particularly of raw materials, on a "catch as catch can" basis, have created a use and occupancy problem which is bothering many agents and brokers. These firms can no longer acquire stock under an orderly schedule, but must get it when and as they can and are frequently forced to store this property wherever they can get space. Under the rules in most localities, there is no automatic coverage under use and occupancy forms for newly acquired locations and thus the assured must notify his agent and the agent must endorse the policy at once for complete protection.

A use and occupancy contract covers interruption of business only when caused by fire or other insured peril at a location listed in the form. Obviously, a fire at a place of storage which the assured has rented in an emergency, destroying some scarce material, could cripple a firm's operations. The assured would not be protected, however, unless the new location had been added to those listed under the use and occupancy form. For this reason, many agents and brokers have been urging some form of automatic coverage at newly acquired locations, but, so far, without success.

Believe Position Justified

What irks agents and brokers about this situation is the fact that, first, these same assured are getting automatic coverage on the property itself under Interstate Underwriters Board, single state and other reporting forms, and, second, in most cases there is no increase in the use and occupancy rate when the new location is added by endorsement. They realize that assured are busy enough without being expected to notify their insurance men the instant stock is placed in a new location. They cannot understand why automatic coverage, with the obligation to report the new locations in 30 days, is feasible for property damage insurance and not for business interruption. To make it all the more indefensible, they point out, a new location usually increases the possible liability of the company as to property damage insurance, but seldom does a new place of storage increase the aggregate use and occupancy liability.

Welsh and Burford Join Dyke Agencies, Little Rock

WICHITA—Tom E. Welsh, assistant secretary of Wheeler-Kelley-Hagney, Wichita, has resigned to join the Dyke interests at Little Rock in an executive capacity. He has been with Wheeler-Kelley-Hagney for seven years. With his brothers, S. F. and Bill, he went to Kansas City, to open the Travelers branch office there. Tom had charge of the claim department. S. F. was cashier and Bill was casualty special agent. S. F. is now manager of Metropolitan Life at New Britain, Conn., and Bill is a member of the Mann, Barnum, Kerddoff & Welsh agency in Kansas City.

Later Tom Welsh spent six years with the old Oldroyd agency at Arkansas City, Kan., returning to Kansas City as an independent adjuster and later with Massachusetts Bonding there.

At Little Rock Mr. Welsh expects to devote most of his time to the Smith-Reid-East local agency, which also has a branch at Fort Smith, but will also be affiliated with the Dyke & Co. general agency, both being controlled by the Dyke interests.

Tom M. Burford, for several years western Missouri and Kansas state agent of Employers Fire with headquarters in Kansas City, also has joined the Dyke & Co. general agency as state agent.

Ill. Brokers Amend By-Laws, Hear Fire Policy Discussion

The Insurance Brokers Association of Illinois at the quarterly meeting this week voted to sponsor legislation similar to the Ferguson law in New York, which prohibits a financial institution or lending agency from requiring that insurance on mortgaged real property be written through any particular agent or broker. The association also amended its by-laws to provide that any member in default in dues for 30 days may be suspended after 10 days notice and expelled by the directors 20 days from then. A. W. Ormiston, a director, who reported on both proposals, explained that the latter step was advisable because of possible complications under the bond the association maintains on its members. Under the old by-laws, a minimum of 130 days from date of default was required before expulsion.

J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins" and associate editor of THE NATIONAL UNDERWRITER, discussed the 1943 New York standard fire policy in detail, pointing out that the late Julian Lucas, past president National Association of Insurance Brokers, was one of the leading figures in developing it. An open discussion followed, with the members strongly in favor of the new contract, which is expected to be presented to the Illinois legislature at this session.

F. C. Bracken, membership chairman, reported that 30 more members have been secured and asked for co-operation in the work of his committee. There was considerable discussion as to whether to hold monthly meetings or to continue with quarterly sessions, with the members finally leaving the decision up to President G. A. Seaverns and G. M. Proctor, program chairman.

Agents Are Urged to Sell Business Interruption Cover

LOS ANGELES—"Nearly every store, factory and other business greatly needs business interruption insurance," Gene E. Groff, special agent of North America, told the Insurance Forum of Los Angeles. Agents who are learning how to sell the cover are cashing in with many sales, he declared.

There are three steps in learning how to sell business interruption or use and occupancy insurance. The first is to study the nature of all loss due to business interruption; the second to study an insurable loss of the same kind; the third to study rates, forms and coverages. Most agents take the third step only and at once encounter trouble.

Mr. Groff emphasized that such insurance indemnifies for loss of earnings due to fire or other peril, and said: "Such earnings, if not cut off by the fire, would have gone to profits, expenses, payroll and to foster good will. The latter cannot be insured because of the difficulty of fixing the measure of loss, but the others can be covered."

"Business interruption insurance is a two-trip policy, i.e.; you usually have to call twice on an insured to sell it. The first time you merely ask for the information desired. Then you go back to your office and determine the best coverage. On the second trip you make the sale. To ask an executive for the information on the first call may be disastrous. It is best to ask the bookkeeper first, and then go to the executive later."

"In business interruption insurance we have a new concept of the contribution clause. With one exception, in specified time forms, it is not based upon the coverage provided."

Lt. (j.g.) George L. Hampton, former Kansas state agent of Phoenix of Hartford, has reported to the west coast sound school for additional training in submarine tactics after finishing a previous school at Miami.

O'Connor Predicts Post-War Emphasis on Personal Lines

CLEVELAND—In his talk before the Insurance Board of Cleveland this week, J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, said that all signs point to great emphasis on the sale of personal insurance lines in the postwar period. He cited examples of large agencies and brokerage firms developing personal accounts departments and of large non-agency carriers shifting their emphasis away from big business lines to solicitation of personal business.

Signs also point, Mr. O'Connor said, to a general leveling of many competitive factors. Both companies and producers are being forced to broaden their lines, while rate reductions and interest cuts are reducing the margin for commissions and forcing participating carriers to lower their dividends. The general broadening process will probably cause specialists to lose much of their advantage in particular fields. The political situation will call for extremely careful judgment on the part of agents, as they will have to steer a close course in the direction of laws which help professionalize the business and at the same time will not backfire by being unduly restrictive or exclusive.

Following the Cleveland board's custom of recognizing its senior members, President Henry Frankel introduced C. A. Benner, senior partner of Benner & Co. Mr. Benner entered the business in 1891, with the old American Insurance & Security Co. He joined the late W. G. Wilson, Aetna general agent, in 1903 and held several important positions, eventually becoming Mr. Wilson's personal assistant. When Mr. Wilson died in 1935, the Benner agency was organized to take over the local business of the Wilson office.

C. A. Collier, new trustee of the Ohio Association of Insurance Agents for the Cleveland district, and George C. Roeding, Cincinnati, Ohio manager of THE NATIONAL UNDERWRITER, were introduced. E. O. Pierce, St. Paul, F. & M., president Cleveland Field Club, invited the agents to attend the fieldmen's party Feb. 5.

Shank Is Now Board Chairman of N. W. Mutual Fire

SEATTLE—Corwin S. Shank, one of the founders who has served the Northwestern Mutual Fire and its affiliated companies as general counsel for 44 years, has been named board chairman to succeed J. H. Edwards, who has retired.

Alfred E. Rode succeeds Mr. Shank as general counsel and vice-chairman. He has been assistant general counsel. J. D. Cook will succeed him in that post.

R. R. Forbes, assistant vice-president, for many years in charge of the company's lumber business, has been elevated to vice-president.

Ruth Richards, the first woman in the history of the company to receive an official title, was named assistant secretary of Northwest Casualty. W. E. Schnoberger, manager of the accounting department, was advanced to assistant secretary of Northwestern Mutual.

James L. McKenzie, formerly a partner in the J. B. and J. L. McKenzie agency, Cleveland, Tenn., has been commissioned a first lieutenant in the marine air corps at Santa Barbara, Cal., where he is assistant ordnance officer.

Lt. Robert E. Baxter, who is in the infantry in France, has been wounded. Before entering service he was an underwriter in the home office of Central Manufacturers Mutual of Van Wert, O.

ts
sis
s

before
and this
editor
ins" of
id that
sis on
ines in
amples
e firms
depart-
carriers
om big
ersonal

or said,
ompet-
d pro-
n their
interest
r com-
g car-
ne gen-
robably
f their
e polit-
remely
agents,
course
n help
at the
being

's cus-
mbers,
ced C.
nner &
usiness
Insur-
he late
agent,
ortant
r. Wil-
n Mr.
agency
e local

of the
Agents
George
anager
were
aul F.
Club,
e field-

ard

e

one of
North-
iliated
for 44
airman
has re-

Shank
irman.
ounsel.
at post.
ident,
e com-
en ele-

in the
ive an
secre-
W. E.
unting
assistant
l.

a part-
Kenzie
n com-
marine
where

in the
ounded.
an un-
Central
ert. O.



For this service, our thanks

As a rule, wounded men talk very little. They've learned to "take it." Many live in a secret, silent world of pain—but they *know*. They know and are grateful. They remember the horrors of that last battle... They remember the Red Cross worker bending over them... the plasma...

Then, the hospital, with all their precious lives before them... Their gratitude for the innumerable small, but vitally important comforts brought to them by Red Cross Nurse's Aids and Gray Ladies is expressed by eyes grown bright—or a simple "thanks."



Only a few of us can actively serve the Red Cross in the far-flung battle areas, but there *is* something we can *all* do no matter where we are. We can humbly share our blood... We can divide our time... We can give our money... We *can* and *must* help.

Make an appointment at your nearest blood donor center today... Join the hosts of Americans on the home front who are helping to make the Red Cross contribution in World War II the greatest mass effort of mercy the world has ever known... We must all deserve that "thanks" of our fighting men who have given so much for us.

This is the tenth of a series of advertisements dedicated to the American Red Cross by

THE HOME INSURANCE COMPANY, NEW YORK

FIRE • AUTOMOBILE • MARINE

Adjuster Warns of Danger in Large Increase in Building, Dwelling Values

A. B. Jones, manager of Western Adjustment, in discussing "Today's Replacement Costs and Values" at the annual installation banquet of the Associated Fire Insurance Agents & Brokers of St. Louis, said that the most significant condition found by adjusters today is the lack of sufficient insurance on buildings and real estate of all kinds.

The successful manufacturer, merchant, or business man keeps an accurate record of the current value of raw materials, merchandise, machinery and equipment because he is constantly replacing them and therefore is aware of the difference in cost between 1932, 1939 and 1945. But building and dwellings seldom require replacement, he said, and as a consequence too few business men and others realize that bricks, concrete, lumber, plumbing and heating, electrical work and elevators, roofing, painting and decorating, all are individual items and must be purchased separately.

Buildings and dwellings have increased in cost in the same proportion as other items, he said, and labor, which may be as much as 60% of the total re-

placement cost of the building if it is destroyed, constitutes the biggest reason for higher costs. He cited the shortage of skilled labor, and said that from 10 to 12½% has been added to the cost of fabricated steel because of the additional time required to do the same work in comparison with 1939.

In 1932 the cost index figure was 140, he said. Today it is 237. He added that in the St. Louis district for some buildings such as large apartments, hotels and office buildings the cost increase between 1932 and 1945 is 69% and from 1939 to 1945 it was 22%; for commercial and factory type buildings 1932 to 1945, 62%, and 1939 to 1945, 18%; while for dwellings and residences in that area the increase between 1932 and 1945 was 48% and 1939 to 1945 32%.

The general average difference in skilled labor costs between 1932 and 1935 was 66c per hour, and between 1939 and 1945 24c. For common labor the increase was 48c and 32c per hour, respectively.

Commercial Fire of Atlanta, whose outstanding business had previously been reinsured in National Union, has been merged into J. M. Harrison & Co. of Atlanta which sponsored the company as a specialist in automobile finance business. All liabilities under Commercial Fire policies have now expired.

CHICAGO

LAUNCH 25-YEAR CLUB

Employees of National Fire's western department that have completed 25 or more years of continuous service at a dinner in Chicago organized a club to foster fraternalism and good fellowship.

Clarence B. Hayes was elected president; William F. Martin, vice-president; Myrtle R. Blaney, secretary.

Fifty-three charter members were enrolled.

BUREAU REDUCES RATES

The Cook County Inspection Bureau has reduced rates for riot and civil commotion physical damage to .4 cent per \$100; rates for riot and civil commotion physical damage including malicious mischief to 1.6 cents, effective Jan. 1. While policies are not eligible to rebate under the reduction, existing policies may be canceled pro-rata and rewritten in the same company.

The bureau announces that all sprinklered risks now written under forms affected by the present change will be rerated in the near future.

CHICAGO TELEPHONE DIRECTORY

A bigger and better Insurance Telephone Directory of Chicago, published by THE NATIONAL UNDERWRITER Company, has just come from the press and is being distributed this week. There are more names and more pages in the new directory. A feature of importance is the inclusion of the postal zone number. The new directory is bound in serviceable paper cover. It includes all company, agency and insurance organization offices, and also the leading individuals such as managers, assistant managers, state and special agents, adjusters, and so forth. There are two sections, one giving Insurance Exchange tenants, and the other being devoted to insurance outside of the Exchange. At the back there is a service guide of several pages showing firms having to do with the insurance business, listed alphabetically by occupation, which are recommended by THE NATIONAL UNDERWRITER.

The price of the new directory is \$1 per copy. The edition is strictly limited due to government paper restrictions and persons desiring to secure copies should apply at once.

SPENCER BACK FROM ARMY

S/Sgt. Edwin R. Spencer, formerly junior partner in the insurance brokerage firm of Spencer & Spencer, Chicago, after serving 33 months in the army air corps, has been given an honorable discharge and will return to his pre-war activities with that firm, of which his father, E. J. Spencer, is executive senior partner.

Sgt. Spencer at the time of his release was an aircraft flexible gunnery instructor at the army air base school at Walla Walla, Wash. Prior to that he taught aircraft identification and flexible gunnery at the army air bases at Denver, Spokane and Blythe, Cal.

Paul Clement, secretary of Minnesota Commercial Men's, has been reelected president of the Minnesota Conservation Federation, affiliate of the National Wildlife Federation.

Umberger Slated at Chicago Meeting Feb. 26

Robert B. Umberger of the Industrial National Bank, Chicago, who has made such an outstanding record in promoting bank financing of automobiles in co-operation with agents and brokers, will address the annual dinner meeting of the Insurance Club of Chicago Feb. 26. Mr. Umberger last week addressed the annual meeting of the Insurance Advertising Conference, and last fall was a speaker at the annual meeting of the National Association of Insurance Agents.

Mutual Groups Support Industry Bill; Outline Qualification Law Ideas

WASHINGTON—The mid-year meeting of directors of the National Association of Mutual Insurance Agents held last Sunday in New York, endorsed the course taken by the association's legislative committee and executive secretary in cooperating with other industry insurance industry groups on behalf of the compromise federal bill offered by Senators McCarran and Ferguson, Secretary Philip Baldwin announced here.

The board, over which George E. Phelan, national president, presided, decided to postpone indefinitely the national association meeting and recommended similar action to state associations with relation to gatherings of 50 or more.

The board meeting was preceded by two sessions Jan. 20 of company representatives and agents to discuss problems of common interest.

At the first session, presided over by A. V. Gruhn, manager of American Mutual Alliance, agency qualification laws and proposals were discussed. Several state legislatures, it is understood, will consider enactment of such laws this year. The following principles were agreed upon, Mr. Baldwin said:

Belief in and support of agency qualification laws. Wherever such laws are introduced and passed, agents' qualifications should be determined by insurance commissioners, not by boards. There should be reciprocal acknowledgment of qualification determinations among the several states, so that an agent deemed qualified in New York, for example, would be recognized to do business in Illinois. Where states adopt new qualification laws requiring examination of agents such examination should be taken within two years by agents already engaged in the business, as well as those applying the first time for license. Old agents as well as new would be examined, it is pointed out, but the requirement would not be retroactive in states already having qualification laws.

At the afternoon session company men and agents identified with the Improved Risk Mutuals met. A committee of the national association headed by Bryson F. Thompson was set up for the purpose of discussing possibility of making Improved Risk Mutuals' facilities available to agents on a more extended basis than at present.

Capt. Mortimer D. Pier, who was secretary of Excess Underwriters before entering the army, has been awarded the Silver Star for gallantry in evacuating a tank battalion which was under German artillery anti-tank and small arms fire. Though wounded in both legs he gave first thought to the safety of his men.

"Planned Salesmanship," by Cousins, the book for accident and health men. \$3.00 from National Underwriter.

INSURANCE AGENCY

I have a man who is interested in buying for cash a local agency with a premium income of \$75,000 to \$100,000 a year. This man prefers an agency in Wisconsin or Minnesota. Tell us what you have to offer.

FERGASON PERSONNEL

Insurance Personnel Exclusively
166 W. Jackson Blvd., Chicago 4, Ill. Har. 9640



*Dependable
as Time*

*C*enturies ago the clock-maker who wished to

achieve renown devoted his ingenuity to creating elaborate timepieces such as the famous clocks of ancient European cities. Today, the most celebrated clock-makers strive for simplicity and accuracy in their productions.

The Phoenix-London Group, applying the modern technique to insurance underwriting in the fire, casualty and inland marine fields, has created comprehensive yet simply designed coverages that make protection plans more economical.

**Phoenix-
London**

GROUP

55 FIFTH AVENUE · NEW YORK

PHENIX ASSURANCE CO., Ltd.
IMPERIAL ASSURANCE COMPANY
COLUMBIA INSURANCE COMPANY
UNITED FIREMEN'S INSURANCE CO.
THE UNION MARINE & GENERAL INSURANCE CO., Ltd.
LONDON GUARANTEE & ACCIDENT CO., Ltd.
PHENIX INDEMNITY COMPANY.



Nati Adv

Jay V.
the Nat
reau on
lected a

Francis
in charg
tion of
assistan
in char
now on

Senat on RE

WAS
disrupti
sension
corporat
tions fo
panies a
insuran
families
subcomm
istration
in a rep
tor Ship
the Con

"The
cluded s
operativ
Stonema
Rural E
testified
sive can
ers of
employe
than 80
member
the testi
corporat
was org
trator,
oath, te
cept the
this sch

The r
der to
had to
coopera
various
operate
ness.
funds b
eratives
the coo
business
Harry
tor, obj
from th
culture,
permitt
under li
loans.

"That
to have
so far
cerned."
The
NRECA
Slattery
through
without
"We l
committ
of incon

National Board Advances Stevens

Jay W. Stevens, since 1921 chief of the National Board's fire protection bureau on the Pacific Coast, has been selected as assistant manager of the San



JAY W. STEVENS

Francisco office and he is being placed in charge temporarily pending the selection of a successor to Charles H. Lum, assistant general manager of the board in charge of the Pacific Coast, who is now on a year's leave of absence.

Senate Committee Reports on REA Insurance Row

WASHINGTON—"One of the most disrupting episodes causing further dissension and disorganization was the incorporation of certain private corporations for the operation of insurance companies and agencies to sell supplies and insurance to the REA cooperatives, their families, and others," says the Senate subcommittee which investigated administration of the rural electrification act, in a report recently submitted by Senator Shipstead, Minnesota, and printed in the Congressional Record.

"The incorporators seem to have included some superintendents of local cooperatives," the report continues. Mr. Stoneman, now president of National Rural Electric Cooperative Association, testified he was one of them. An intensive campaign was started by the officers of this organization and various employees of REA to induce the more than 800 local cooperatives to become members of this organization. In fact, the testimony indicates that before these corporations were formed, this scheme was organized by the Deputy Administrator, Robert B. Craig, who, under oath, testified that he was willing to accept the responsibility of parentage of this scheme."

The report says that NRECA "in order to start in the insurance business, had to have certain funds of the local cooperatives required by state law in various states where they intended to operate and conduct on insurance business. They proposed to obtain these funds by giving their notes to the cooperatives and so use the surplus funds of the cooperatives to start the insurance business."

Harry Slattery, then REA administrator, objected and obtained an opinion from the solicitor, Department of Agriculture, on the question of legality of permitting such use of funds that were under lien to the federal government for loans.

"That opinion of the solicitor seems to have ended the scheme of this group, so far as selling insurance was concerned."

The report refers to attacks by NRECA and department officials on Slattery, in the effort to oust him through pressure on the White House, without a hearing.

"We have a right to assume," says the committee, "that the rumors and charges of incompetence and mismanagement on

the part of Mr. Slattery, as administrator, that were suddenly discovered, after he opposed the insurance activities of the NRECA to use the mortgage funds of the cooperatives to start their insurance companies, were carried to the President and made the basis for the request for his discharge or removal. Such action has our unqualified disapproval."

The committee recommended legislation to restore REA to its former status of an independent government agency.

"Planned Salesmanship," by Cousins, the book for accident and health men, \$3.00 from National Underwriter.

Study Self Insurance on Fire Proof Units at Omaha

OMAHA—Members of the county board here will decide next week whether to establish a reserve fund to cut down on the amount of insurance carried on fireproof county buildings. The possibility was discussed at this week's meeting when it was called to the board's attention that it was time to renew the fire-wind insurance on the county hospital, now covered by \$550,000 insurance.

Commissioner Bergquist suggested

the possibility of setting up an insurance reserve fund and paying the money from that fund if losses are sustained.

He pointed out the schools once had such a fund, but that it reached almost the \$1 million mark and it was too much temptation and was spent for other buildings.

Another commissioner suggested having only \$50,000 insurance because the building was fireproof.

E. W. Helm, Jr., New Amsterdam, has been elected president of the Insurance Society of Philadelphia succeeding P. G. Buck, Franklin Fire.

ROCKET TAKE-OFF

Starting from scratch at maximum cruising speed with a jet-assisted take-off...one of the Navy's latest answers to getting heavy bombers off carriers and short runways in a hurry.

To new answers in fire protection Norwich Union agents have always been alert. In solving the tough insurance problems of our industrial home front, they help provide the security so vital to the achievement of a nation at war.



NORWICH UNION

FIRE INSURANCE SOCIETY, LTD.

NORWICH UNION INDEMNITY COMPANY • 75 MAIDEN LANE, NEW YORK 7, N. Y.

Thoelecke, Lt. J. T. Waidner Become Partners in Chicago Agency of Waidner, Zweig

Benjamin Zweig of the Waidner-Zweig class 1 agency of Chicago announces that Louis C. Thoelecke and Lt. John T. Waidner have become partners in the firm.

Mr. Thoelecke is resigning as manager of the metropolitan department of Norwich Union with supervision of Chicago and St. Louis, to enter the agency. Lt. Waidner is returning for service overseas after being home on leave. He is a son of W. N. Waidner, who was cashier of the agency and a nephew of L. H. Waidner, partner, both of whom died last year. Lt. Waidner had been with the agency eight years prior to entering the army in 1942. He attended Lake Forest College.

Mr. Thoelecke has had a varied and successful insurance experience commencing in 1924. He enrolled in the fire protection engineering course at Armour Institute of Technology, Chicago, in 1920 as a Western Actuarial Bureau scholarship student. That was the first year of the W.A.B. scholarship plan. Mr. Thoelecke was planning to attend Armour Institute and one of

his high school instructors at Omaha called his attention to the scholarship opportunity.

While attending Armour he worked part time for the Nebraska Inspection Bureau and upon his graduation in 1924 he entered the local agency business in North Platte, Neb., with his uncle, O. H. Thoelecke. After two years he went into the Nebraska field for National Security of the North America group and later became superintendent of agents at the Omaha head office of that company. In 1929 he became Nebraska state agent for North America and in 1933 was transferred to Chicago as associate manager of the city and suburban department. In 1936 he went with Norwich Union in the position that he is now leaving.

Mr. Thoelecke is past most loyal gander of the Nebraska Blue Goose. He was active in aviation affairs and served for several years as secretary of the Nebraska Chapter National Aeronautic Association. He has served as chairman of the Western Conference of Special Risk Underwriters and also as chairman of the Western Sprinkler Leakage Conference.

You get sales ideas from the top-notchers, in the A. & H. Bulletins. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

Ask Tenn. Premium Tax Revision

A bill has been introduced in the Tennessee legislature at the instance of Commissioner McCormack to revise the premium tax statutes in an endeavor to remove the taxes from successful challenge as an unequal burden on interstate commerce. Presently the taxes are assessed against Tennessee premiums of foreign insurers only. The bill provides for taxing domestic as well as foreign insurers.

The new tax rates would be 2%, instead of the present 2½% on all lines except workmen's compensation, including self insurers, and on considerations for annuities. The old rate of 4% would be retained for workmen's compensation including self assured and would be applicable to domestic companies. The latter change would be a matter of form only, since there are presently no Kentucky insurers writing workmen's compensation insurance.

The tax on annuity considerations would continue to be 1½% but would be applicable to domestic as well as foreign companies. The present additional tax of ½ of 1% on fire premiums for executing the fire marshal law would be continued and would be applicable to domestic as well as foreign companies. Offset would be allowed against any franchise or excise taxes paid. There is a provision that the taxes shall not be increased on account of any retaliatory law now in effect but shall apply to all companies alike.

N. C. SITUATION SERIOUS

RALEIGH—Declaring that "the state is facing a most serious situation on the question of its premium tax," Commissioner Hodges has urged the joint finance committee of the North Carolina legislature to recommend that the tax laws be revised.

Mr. Hodges asserted that the Supreme Court ruling places North Carolina's insurance premium tax in the "doubtful" classification, and that if the present law is declared unconstitutional the state would lose more than \$2 million a year in revenue.

The present premium tax law includes a provision which reduces the tax from 2½% to as low as .75% if 15% of total assets are invested in North Carolina securities.

The joint appropriations committee is to appoint a subcommittee to study the matter.

A bill has been introduced in the North Carolina legislature to relieve officers and directors of insurance companies of personal liability by reason of payment of taxes subsequently held to be invalid.

Ill. C. of C. Insurance Group

The insurance committee of the Illinois State Chamber of Commerce of which Chase M. Smith, Lumbermen's Mutual Casualty, is chairman, has now been named, the members are:

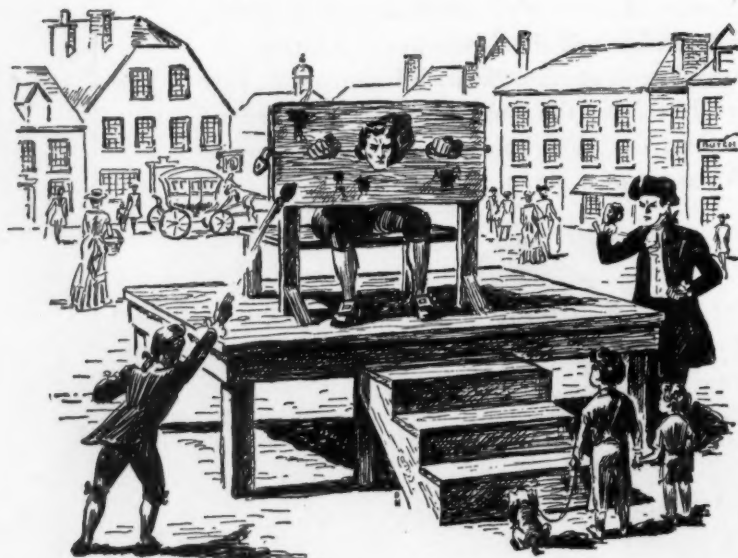
W. N. Achenbach, Aetna Fire; Ray S. Bass, A. E. Staley Manufacturing Co., Decatur; Charles E. Becker, Franklin Life, Springfield; S. Alexander Bell, Chicago Motor Club; Rollin M. Clark, Continental Casualty; H. H. Cleaveland, Jr., Bituminous Casualty, Rock Island; Roy L. Davis, Association of Casualty & Surety Executives; Calvin Fentress, Jr., Allstate; Wade Fetzner, Jr., W. A. Alexander & Co., Chicago; E. M. Griggs, National Board; A. V. Gruhn, American Mutual Alliance; J. C. Harding, Springfield Fire & Marine, Chicago; E. H. Henning, Illinois Bankers Life, Monmouth; Arthur A. Krueger, Millers National, Chicago; Alfred MacArthur, Central Life of Chicago; George F. Manzmann, North American Accident; E. A. McCord, Illinois Mutual Casualty, Peoria; G. A. McKinney, Millers Mutual, Alton; George J. Mecherle, State Farm Mutual Auto; Shirley E. Moisant, Kankakee; A. A. Morey, Marsh & McLennan, Chicago; Raymond Olson, Mu-

Insurance Interest in Henry Wallace Appointment

The appointment of Henry Wallace as Secretary of Commerce replacing Jesse Jones is of particular interest to insurance on a number of scores. For one thing War Damage Corporation is one of the agencies that the Secretary of Commerce looks after. The insurance people that worked with Mr. Jones in setting up WDC knew where he stood on various features of the plan and there will be interest in Mr. Wallace's attitude. The RFC and other government lending agencies under the wings of the Department of Commerce affect insurance or have insurance significance because the lending agency may either require fire and other insurance to be carried or it may dispense with insurance. If it does require insurance it sets up various specifications.

tual Trust Life; C. O. Pauley, Great Northern Life; Charles B. Stumes, Penn Mutual, Chicago; Donald A. Tripp, Illinois Mutual Fire, Belvidere; R. J. Wetterlund, Washington National, Evanston; John L. Wilds, Protection Mutual Fire, Chicago; Ira W. Wolfner, National Cooperative & Woodenware Co., Peoria.

General Manager W. E. Mallalien of the National Board attended the mid-year graduation exercises of Wilbraham, Mass., Academy, one of the country's oldest schools for boys. He is president of the board of trustees.



Highlights in Insurance History

The first insurance stock companies, 1720, grew out of the English people's resentment against dishonest underwriters. There were so many private Houses of Insurance they were considered public nuisances, and lambasted in newspapers, pamphlets and broadsides, for their deceitful practices. Their failure to make good the losses of ships and cargoes sunk or captured by the French during the great sea disaster of 1693 spurred the organization of the stock companies. The Bubble Act of 1720 gave the death blow to the dishonest "Bubble Companies," while the stock companies weathered this upheaval. Insurance Companies of today realize that Trustworthiness is their most valuable asset.

For 45 years the NATIONAL UNION and BIRMINGHAM FIRE INSURANCE COMPANIES have been building up confidence and satisfaction among policyholders, through intelligent and honest consummation of contracts and claims.

National Union

and Birmingham

FIRE INSURANCE COMPANIES

PITTSBURGH



PENNSYLVANIA

Property Facts Will Help..

The AMERICAN APPRAISAL Company

CONSULTANTS IN PROPERTY ECONOMICS

FACTUAL APPRAISALS

Impartial Valuations of Industrial and Commercial Property... 35 years of factual appraisal service to America's more conservative business institutions.

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES

APPRAISAL ENGINEERS

4411 S. BAYVIEW AVE. CHICAGO

Effect of Commissions on Overtime Pay of Salaried Employees Is Set Forth

NEW YORK—A recent inquiry published in THE NATIONAL UNDERWRITER Jan. 4 has raised the question as to whether insurance commissions earned by a salaried employee after regular working hours are to be included along with his salary for the purpose of computing overtime due under the fair labor standards act. The wage and hour and public contracts divisions of the U. S. Department of Labor have released the following statement on this matter:

The fact that the employees are engaged in the sale of insurance "on their own time after hours" cannot, of course, detract from the fact that such activities constitute hours worked under the act. The act as passed in 1938 defines the term "employ" very broadly to include all time during which an employee is suffered or permitted to work whether or not he is required to do so. Furthermore, as the U. S. Supreme Court recently pointed out in the case of United States v. Rosenwasser, a worker is as much an employee within the meaning of the act "when paid by the piece as he is when paid by the hour. The time or mode of compensation . . . does not control the determination of whether one is an employee within the meaning of the act. . ."

Choice of Two Methods

Where an employee subject to the act, and not otherwise exempt, is paid for different types of work at two or more different rates of pay in a single work-week, the employer has a choice of two methods of paying overtime. He may compute the overtime compensation

(1) on the basis of the rate applicable for the work performed during the overtime hours, or

(2) on the basis of the employee's average hourly rate during the week.

If the employer used the second method, the employee's regular rate of pay, on which time and one-half must be paid, is computed by dividing his total weekly earnings at both rates by the total number of hours worked in the week. For his overtime work the employee is entitled, in addition to such earnings, to a sum equivalent to one-half his regular hourly rate of pay, arrived at as indicated, multiplied by the number of hours worked in excess of 40 in the week.

Example Is Given

Thus if, during a particular week, an employee whose weekly salary is \$48 engages in the sale of insurance and works 48 hours, including the time spent in selling insurance, and receives from his employer commissions totaling \$48, his average hourly rate for that week would be \$2 (\$96 ÷ 48 hours); the employee would then be entitled to receive, for his overtime hours worked, an additional \$8 ($\frac{1}{2} \times \2×8 hours).

In arriving at the employee's regular rate of pay, it would not be necessary to include commissions paid the employee by other insurance agencies, nor time spent in work for them, assuming, of course, that such agencies are acting entirely independently of each other with respect to the employment of the particular employee.

The above does not constitute a new requirement but represents the position which the divisions have consistently maintained. Information on the regulations is included in interpretive bulletins 4 and 13. This data may be secured from the National Office of the Divisions, 165 W. 46th street, New York 19, N. Y., or from any regional, branch or field office.

Prison for Tenement Owner

L. J. Alexander, co-owner of a New York tenement, was committed to Sing Sing prison to serve a three to six year sentence for manslaughter as the result of a fire that caused the deaths of seven Chinese in the building in 1939. Alexander was convicted and sentenced in

1941 on the charge that proper fire escapes, fire doors, and other safeguards had not been provided and was the first person ever tried under the state multiple dwelling law. Since 1941 he has been free on bail, most of the time appealing the case to various courts. A petition for a writ of certiorari was recently turned down by the U. S. Supreme Court.

If you sell disability insurance, don't be without The A. & H. Bulletins. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

Mutual Fire Companies' 1944 Figures

	Adm. Assets	Unearned Prema.	Net Surplus	Net Prema.	Net Losses Paid
Cream City Mutual	691,223	805,512	457,977	202,455	77,737
Grange Mutual, N. H.	288,663	118,284	152,166	99,296	44,012
Millers' Mutual, Ill.	4,357,326	1,811,727	2,300,372	2,311,739	958,741
Minnesota Farmers Mut.	1,732,261	376,672	1,145,769	1,312,519	619,704
National Mutual, Pa.	93,630	50,270	162,972	92,518
St. Paul Mutual	131,298	64,702	59,100	236,172	117,351
Southern Kansas Mutual	294,797	114,153	225,872	88,015	52,952
Union Mutual, Vt.	686,711	122,673	454,470	360,630	139,036
INTER-INSURANCE EXCHANGES					
Retail Lumbermen's Inter-Ins. Exch....	534,610	157,795	343,603	437,729	69,255

FIRE ★ MARINE ★ CASUALTY ★ SURETY



Providing
practically every form
of insurance except life

MEMBER COMPANIES



GREAT AMERICAN INSURANCE COMPANY

GREAT AMERICAN INDEMNITY COMPANY

AMERICAN ALLIANCE

AMERICAN NATIONAL

COUNTY FIRE

DETROIT FIRE AND MARINE

MASSACHUSETTS FIRE AND MARINE

NORTH CAROLINA HOME

ROCHESTER AMERICAN

ONE LIBERTY STREET • NEW YORK CITY

THE
PHOENIX-CONNECTICUT
GROUP
of
Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1854

The
Connecticut
Fire Insurance Co., Hartford, Conn.
1850

FOUTABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

SAN FRANCISCO
220 Montgomery Street

MONTREAL
485 McGill Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

NEWS OF FIELD MEN

Fred G. Adams President of N. J. Field Club

At the annual meeting in Newark of the New Jersey Field Club, these officers were elected: President, Fred G. Adams, Travelers Fire; vice-president, H. W. Kohler, America Fire; secretary, H. W. Wittich, Providence Washington; treasurer, C. P. Carlson, Automobile and Standard; executive committee, J. D. Sullivan, Crum & Forster; E. M. Hackney, North America; R. G. Shepard, Fire Association, and Fred Bross, Yorkshire.

Carolinas Pond Meeting Sets Record Attendance

The winter meeting of the Carolinas Blue Goose at Charlotte, N. C., was the best attended meeting the pond has ever held.

With two grand nest officers present, Phil Winchester, New York, grand supervisor and George Edmondson, Tampa, grand custodian, the model initiation team went through the paces of the ritual in fine style.

Most Loyal Gander M. H. McCown presided over the business meeting and acted as toastmaster at the banquet which followed a cocktail hour. After the banquet there was a dance.

The ladies were entertained Thursday afternoon at the home of P. D. Burks, Jr., with a bridge party and refreshments.

A new wielder was elected to succeed John F. Satterlee, who has been transferred to New York as loss manager for Atlas. The new wielder is R. H. Lewis, National Union, Greensboro.

A silent moment was observed for Lt. Ben J. Smith of the army, who was killed in action in Germany Dec. 6. He was the first casualty of the pond. Thirty other members are in the service.

Western Reserve Stag Party

The Western Reserve puddle of the Ohio Blue Goose will hold its annual stag part at Cleveland Feb. 5, beginning with an initiation and business meeting at 4 p. m. There will be a cocktail hour, dinner and entertainment. J. W. Weddell of Factory Insurance Association; C. R. Tobin, Aetna Fire; P. O. Holm, Fireman's Fund, and R. T. Wagner, American Eagle and Niagara, comprise the committee in charge.

Va. F. & M. Field Men Meet

Field men of Virginia Fire & Marine from New Jersey, North Carolina, Kentucky, West Virginia, Pennsylvania, Ohio, Indiana and Virginia met at the home office to lay plans for development of business in 1943. Officials of the company also attended the meetings which lasted three days. A comprehensive agenda was considered, with President Claude D. Minor presiding.

Downs Heads New Field Group

William F. Downs, Hartford Fire, has been elected president of the newly organized Western Massachusetts Field Club. E. W. Greer, Continental, is vice-president and John L. Powers, Home, secretary.

N. B. & M. Opens Office at Houston; Presley in Charge

North British is opening an office in Houston to facilitate the servicing of agents in southeastern Texas, and has appointed Parker S. Presley as special agent in charge. He succeeds A. Sidney Briggs, Jr., in that territory and will be associated with C. J. Williams, Dallas, manager of the Texas department.

Mr. Presley's office will be in the Southern Standard building. He is well qualified by 16 years' experience in local agency, general agency and field work. He started as a solicitor in the Rice & Belk agency at Houston. Then for seven years he was manager of the J. C. Leonard Co., Houston. From there he went to Cravens, Dargan & Co., where he was a special agent until he went into the army air forces in 1942. He recently received his honorable discharge.

Alamo Pond Hears Knowlan

Col. Joseph R. Knowlan, marine corps, past most loyal grand gander of the Blue Goose, now stationed at Corpus Christi, Tex., addressed the Alamo pond in San Antonio. He spoke of the fighting in the south and west Pacific. He declared the fight ahead will be long and hard and emphasized the importance of the proper attitude on the part of the people at home in aiding to win the war.

Eleven candidates were initiated. H. K. Huie and Irwin Bailey were received by certificate of flight, from the Oklahoma and Texas ponds respectively.

Linnell on Eastern Trip

Thomas G. Linnell, most loyal grand gander of the Blue Goose is on an eastern trip addressing the New York City pond Jan. 25 and the Penn pond at Philadelphia Jan. 29. He reports a fine response from both companies and fieldmen to the recent letter sent out by the war veterans service committee of the grand nest.

The Sioux Falls Blue Goose Lunch-club at its first meeting of the new year had about 25 members in attendance. The guest speaker was Miss Alice Murphy, a returned missionary from China.

Harry T. Minister of Columbus, president of the Ohio Association of Insurance Agents, will speak before the Ohio Stock Fire Insurance Speakers Association in Columbus next Monday.

NEW YORK

VAIL HEADS LOSS MEN

George D. Vail, Jr., Corroon & Reynolds, was elected president of the Eastern Loss Executives Conference at the annual meeting. K. E. Chapman, Agricultural, is vice-president; F. J. Collins, Firemen's, secretary, and E. H. Ely, Home, treasurer.

N. Y. BOARD LOSSES UP 19%

Assigned incurred losses of the New York Board last year totaled \$6,041,104

or an increase of 19% over the 1943 figure, E. C. Niver, secretary of the committee on losses and adjustments, reports.

H. J. Keifer of Aetna Fire has been elected assistant treasurer of the board.

FRED W. LAWRENCE ADVANCED

Fred W. Lawrence, New York regional manager of United Mutual Fire of Boston was elected regional vice-president. Mr. Lawrence is a member of the evaluation committee of the state war inspection service of New York.

COMPANIES

Am. Fore Companies Make Many Gains; Show Profit

Handsome increases in assets and surplus are reported in the annual statements of Continental and Fidelity-Phenix. Both companies enjoyed a substantial increase in net premiums written, the premium reserves were higher and both companies made an underwriting profit.

Assets of Continental on the commissioners basis, totaled \$131,722,090 compared with \$116,972,142 at Dec. 31, 1943. At market, the assets would be \$137,710,553.

Premium reserve is \$26,493,698, increase \$2,553,161. Capital is \$5 million and net surplus \$86,357,098 compared with \$74,899,106. At market policyholders surplus would be \$97,345,561.

Premiums written were \$29,489,719 as compared with \$27,074,776. Premiums earned were \$26,936,557 as compared with \$26,800,761. Losses were \$15,463,237, expenses \$10,819,450, underwriting profit \$653,869.

Net investment income was \$4,842,728. Federal income tax was \$886,306.

Fidelity-Phenix assets, commissioners basis, were \$107,076,891 compared with \$93,698,606, premium reserve \$20,275,589, increase \$2,325,783; capital \$3,750,000, net surplus \$71,177,271 as compared with \$60,298,776. At market policyholders surplus would be \$79,131,283.

Premiums written were \$23,087,763, as compared with \$21,599,207; premiums earned \$20,761,979 as compared with \$21,918,972; losses \$12,140,063, expenses \$8,392,888, underwriting profit \$229,026.

Net investment income was \$4,048,740, federal income tax was \$525,783.

Many Plus Signs for St. Paul F. & M.

St. Paul F. & M. has issued its annual statement showing increases in assets, surplus, premium reserve and net premiums written. With stocks and bonds valued at market the assets totaled \$64,980,447, an increase of \$5,109,883 for the year. The premium reserve is \$13,502,278, an increase of \$1,386,403. Capital is \$10 million, special reserve \$1 million and net surplus \$30,111,476, the increase in surplus to policyholders being \$1,579,849.

Net premiums written totaled \$20-

FAMOUS SYMBOLS OF SERVICE

THE CHINESE HAVE ALWAYS BEEN FAMED FOR THEIR UNIQUE AND MEANINGFUL SYMBOLS. AND HERE IS ONE FOR LONGEVITY. AROUND THE CENTRAL MESSAGE THERE ARE FIVE DECORATIVE BATS DENOTING THE FIVE GREAT HUMAN BLESSINGS: HAPPINESS, WEALTH, PEACE, VIRTUE AND LONG LIFE. THE NORTHERN ASSURANCE SEAL IS A SYMBOL OF A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS.

THE NORTHERN ASSURANCE CO. Ltd.

FIRE AND ALLIED LINES. AUTOMOBILE INLAND MARINE. REPORTING FORM & FLOATER CONTRACTS
NEW YORK • CHICAGO • SAN FRANCISCO

349,498, an increase of \$2,261,357. There was a net underwriting profit of \$985,428. The affiliated Mercury made corresponding gains, its assets being \$8,951,872, premium reserve \$3,229,800, capital \$2 million and net surplus \$2,641,395. Net premiums written amounted to \$3,699,339, increase \$397,716. There was an underwriting profit of \$71,335.

Premiums from fire and allied lines of St. Paul totaled \$8,606,000, an increase of 8.44%; automobile premiums were \$2,497,848 and were up 16.03%; marine premiums of \$7,038,542 were an increase of 6.33% and hail premiums of \$2,207,105 represented an increase of 53.72%.

The dividend declaration of St. Paul F. & M. of 50 cents compares with 40 cents dividend that was paid at the same time last year. President Codere expressed the hope that this rate of dividend could be continued throughout the year in which event the amount received will be equal to last year's total, including the special dividend.

IN U. S. WAR SERVICE

Maj. Waldo Hardell, formerly with the Charles W. Sexton Co., Minneapolis, is now stationed at the American legation at Stockholm, Sweden. Previously he had served 20 months in England as combat intelligence officer.

In reporting last week the promotion in navy rank of **John Pabst**, manager on leave for the midwestern department of Fireman's Fund Indemnity, it was erroneously stated that his new title is that of lieutenant commander. As a matter of fact, Mr. Pabst has been a lieutenant commander for some time and his promotion is to the rank of full commander. He entered the navy as a lieutenant.

Capt. Don J. O'Malley, who before entering army service was a broker associated with the Stewart-Keator-Kessberger & Lederer agency of Chicago, has been given a citation and awarded the silver star by the commanding general of the 95th infantry division for gallantry in action Dec. 4 near Saarlautern, Germany. His citation was given for reconnoitering in Saarlautern for suitable gun positions while the town still was in fierce dispute. His life was greatly endangered by German artillery shelling and small arms fire during this trip. Later that day a German shell struck near an American truck loaded with 40-millimeter ammunition and set it on fire. Capt. O'Malley disregarded his own safety and helped to put out the fire.

Col. Vernon S. Morehouse, one of Travelers' chief engineers before the war, has been named state procurement officer of the selective service system in Connecticut. He has been with the selective service system since its inception.

Maj. H. P. Ausherman, formerly with the Kansas City office of the Kansas Inspection Bureau, is engaged in security work in the San Francisco area and probably will be retained for some time, due to the increased activity in the Pacific. He was an officer in the former war.

Lt. George B. Woldt, who was special agent in Queens and Richmond counties for Royal-Liverpool prior to entering the army in 1942, was the subject of a feature story in the Staten Island "Advance," due to the part he played in bringing air support to the Americans during the siege of Bastogne in Belgium. He helped to operate a switchboard and by various types of radio-to-radio systems contacted the Thunderbolts and sent them on successful missions against Nazi tanks.

Perry M. Fenton, who was assistant manager of Marine Office of America at Chicago until entering the navy in November, 1942, has been advanced to the rank of commander. He has been lieutenant commander. He is executive officer of the naval amphibious training base, Ft. Pierce, Fla.

Finds Wife Is Claim-Minded Member of Family

Christopher Billopp, who does a feature column for the "Evening Sun" of Baltimore, the other day discussed what he terms the "insurance mystery," it being the difference between husband and wife in their attitude toward making claims under insurance policies.

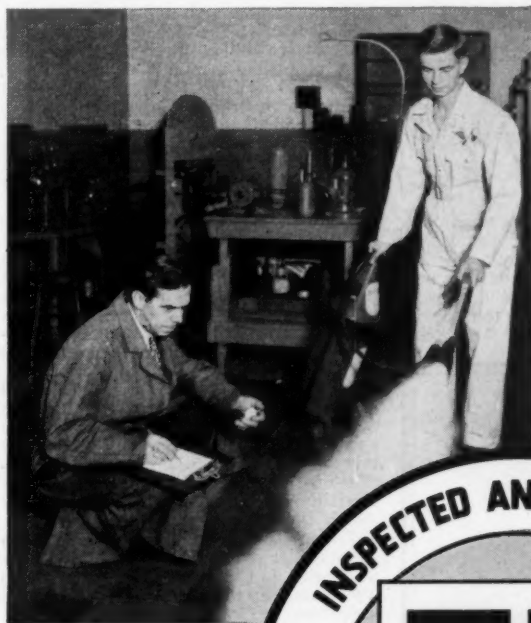
Mr. Billopp states that when property is lost, stolen or damaged the wife inquires of her husband whether it isn't

covered by the insurance policy. The husband replies that it is not. She asks what is covered and he is vague about that and Mr. Billopp remarks that it is strange that the husband is positive about what is not covered but is vague about what coverage he does have.

Husband Seeks Confirmation

At the insistence of the wife, who charges him with not wanting to take money from the insurance company, the husband will finally call the company, describe his loss and point out that his

wife thinks it is covered but he is sure it isn't and asks if he is right. According to Mr. Billopp the insurance company confirms the husband's judgment and he apologizes for having bothered them about it. He then reports to his wife that the loss, of course, was not covered and she will ask him why it is that he is always paying out money on insurance which could be used to good advantage in other ways if, every time their property is lost, stolen or damaged he exults in the fact that his policy doesn't cover it.



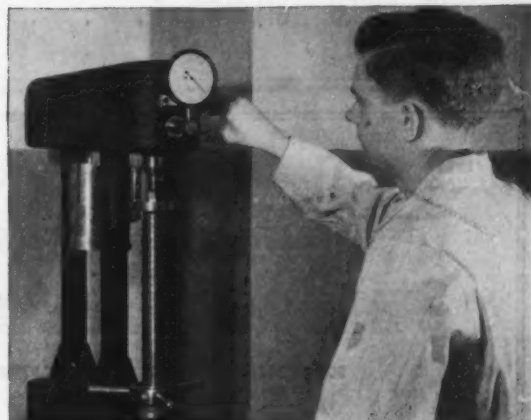
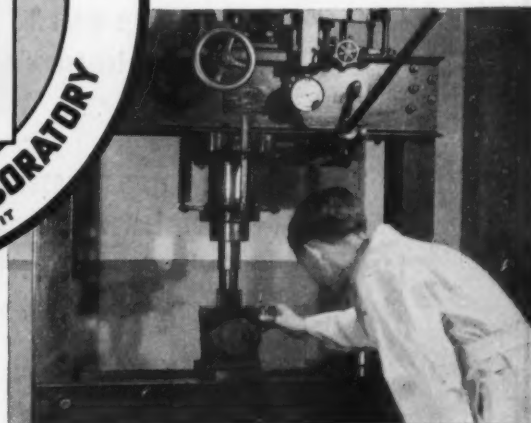
Industrial Testing and Inspection

Our services incorporate product efficiency and operating tests; physical, chemical and production line tests of raw and processed material; laboratory analysis, recordings and reports.

FACTORY STANDARDS LABORATORY, INC.

NOT FOR PROFIT

416 North State Street • Chicago 10, Illinois, U. S. A.



S.E.U.A. Case Behind Dineen Proposals

(CONTINUED FROM PAGE 2)

perintendent to review any action which rejected any form of coverage, or rule, or rating plan or other proposal and permit him to direct the filing or modification thereof. The anti-trust law was not the only factor in this bill, for this type of situation came up at the hearing held by the department last year on the proposed four option retrospective workmen's compensation rating plan, which the New York Compensation Rating Board rejected after the stock companies proposed it. The mutuals and state fund voted it down and Mr. Dineen doubted that he had the power under the law as it stood to do anything about it.

A number of the other bills would broaden the department's power but have no apparent connection with giving companies the protection of the Parker vs. Brown doctrine. Perhaps the most important is the proposed new section 189 authorizing the superintendent to prescribe uniform methods of keeping accounts and records for insurers and insurance organizations. This is the bill that has caused the most concern among the insurance executives,

some of whom fear a great duplication of work if other states put through similar programs on a different basis from that required by New York. How onerous the department's requirements will be is problematical, though it has been indicated that there is no wish to set up a detailed basis for keeping accounts but merely to insure that all carriers will keep their records in such shape that statistics based on them can be relied on for rate making or other purposes for which the department may wish to use them. At public hearings Mr. Dineen has frequently complained that data presented in support of this or that contention were based on records kept in such different ways that the department could not justifiably base any decision on them.

Uniform Accounting

In his memorandum accompanying the bill, Mr. Dineen traced the state's rate regulation, pointing out the law requires the department to consider past and expected loss experience in approving fire insurance rates and that deviations shall be on the basis of "available

statistics." He emphasized that there is an annual premium volume in this state of \$340 million written by 520 fire, marine, casualty and title companies, all subject to rate regulation. He mentioned the constructive steps toward uniform accounting procedures that had been taken by fire and casualty organizations, notably the Insurance Executives Association and Association of Casualty & Surety Executives but said that the voluntary efforts of many years had not accomplished very much and that "certain factors," which he did not specify had militated against progress and that hence it was necessary to have a law to accomplish the desired end.

Tied up with the closer supervision of rates is the bill adding a new section 75-A requiring insurers other than life, fraternal or title, to accumulate and maintain catastrophe loss reserves, these being defined as 10% of net premium income during the preceding year. The reasoning behind this bill is that if the companies are to be permitted a factor in their rates for catastrophes they should be required to build up specific reserves against these disasters. The bill, which incidentally defines a catastrophe for the first time, requires that the reserve shall be built up by accumulating 1% of net earned premium income until the reserve, including capital equals 40% of the average annual net income of the preceding five years. The superintendent would be permitted to allow special factors where insurers collect premiums at a higher rate than usual, thus taking care of the factory mutual type of premium setup. Reciprocals are exempted until they reach the minimum contingent surplus, after which the provision applies.

Though proposed to take care of a situation that would rarely arise anyway, the bill amending section 77 is interesting in that it brings to light an ingenious method whereby a ceding company and a reinsurer caused a sizable chunk of their liabilities to disappear into the air for statement purposes. The ceding company reinsured its portfolio as of midnight Dec. 31, taking credit for the substantial reinsurance commission. The assuming company, a member of the same group, assumed the liability as of 12:01 a.m. Jan. 1. Thus the ceding company had transferred its liability and showed the commission as a credit in its annual statement while the assuming company showed no liability, since it had not assumed the business until after the close of the year. The bill would prohibit the allowing of credit as an admitted asset or as a deduction from liability of the ceding insurers for reinsurance unless and until liability is assumed by the assuming company and recorder on its books.

The bill adding a new section 131 would have the effect of keeping warehouse men from making money out of the insurance which they provide for the customers and charge them for.

The bill would prohibit charges in excess of the premium rates for licensed insurers and require that the charge be specified in the contractor's receipt. This would apply to cleaners, dyers, repairers and the like. Frequently bills are rendered which do not segregate insurance and the owner often does not know what he is getting. Also many such customers are insured under personal property floaters or extended coverage, under the off premises feature of fire policies.

Okl. Tax Case to High Court

WASHINGTON—Lincoln National Life has filed appeal in the U. S. Supreme Court from the Oklahoma supreme court decision in the suit of that company against Commissioner Read, which involves alleged discriminatory taxation by that state of foreign insurance corporations. The case, docketed as No. 833, will be heard by the Supreme Court in due course, as a matter of right, it is said, no petition for writ of certiorari for the Supreme Court to review the lower court's decision being necessary in cases in this category.

WDC Discloses Some of the Claims It Has Paid

War Damage Corporation has disclosed examples of claims it has paid.

More than \$4,500 was paid for damage to a building in Hempstead, L. I., caused by the falling of an army airplane. The crash occurred during an alert while the plane was on a patrol flight "against the enemy."

A number of claims were paid resulting from the explosion of the U. S. destroyer Turner in New York harbor Jan. 3, 1944. Most of these were for small amounts, and involved damage to foundations, walls, plaster, and the like, due to vibration from the explosion. The destroyer was in active service engaged in war operations and was returning to her base.

Several claims in the Los Angeles-Long Beach area for damage resulting from falling shells from anti-aircraft guns. WDC decided that this occurred in resisting enemy attack because at the time of a reported enemy attack, unidentified aircraft, believed to be that of the enemy, was fired at by anti-aircraft guns.

More than \$1,000 for damage to an oil company's property on the California coast which was shelled by a submarine, "probably Japanese."

A claim of \$10 for damage to a house in the San Francisco bay area struck by a Navy blimp.

Since July 1, 1942, WDC has paid \$38,500 for losses in the Aleutian Islands—chiefly of livestock. Employees of the insured persons were evacuated in anticipation of enemy attack. The animals were released from their corrals and left without a caretaker.

WDC paid more than \$12,800 for a building in Honolulu destroyed by the falling of an airplane shot down by U. S. forces. The plane was unidentified at the time because of lack of signals, but after the crash turned out to be a U. S. plane. This occurred before July 1, 1942.

Manufacturing Inventories Down

Inventories of manufacturers reduced in value by almost \$700 million between November, 1943, when they reached their war time peak, and the end of July, 1944, according to the U. S. department of commerce. Three-fifths of the liquidation occurred in war manufacturing industry. The value of all manufacturers' inventories held at the end of July, 1944, is estimated at \$17.2 billion. Stocks of raw materials and goods in process declined by almost \$850 million between November and July, while value of finished goods inventories increased by \$180 million in the same period.

WANTED

General Insurance Agency by discharged veteran, with cash. Size: \$10,000 to \$20,000 in commissions. Address A-94, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPLENDID OPPORTUNITY FOR FLORIDA

FIRE AND CASUALTY SPECIAL AGENT
In reply, state age and past experience.
AMERICAN INDEMNITY COMPANY
Galveston, Texas

WANTED

Inspector and Fire Rater for Cook County by high class agency and brokerage office. Permanent position, excellent opportunity. State age and qualifications. Address B2, care The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

AVAILABLE

One man, NEW MEXICO SERVICE OFFICE. I have serviced New Mexico for six years. Experienced in production, underwriting, claims, audits and safety work, twelve years experience. Address A-93, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

TOMORROW'S REINSURANCE . . .

The insurance company of tomorrow must be prepared to meet tomorrow's demands—today . . .

In many cases we have anticipated tomorrow's needs with broader treaties and unlimited facultative facilities.

BOWES & COMPANY, INC.
THE FIELD BUILDING . . . CHICAGO

1794

150TH ANNIVERSARY

1944

INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA

306 WALNUT STREET, PHILADELPHIA 6, PA.

Asks Release of 10% of Employees by March 15

Employers in unclassified businesses, those not listed as critical or essential, in Illinois, Indiana and Wisconsin have been asked by the War Manpower Commission to reduce the total number of employees 10%, as compared with the last pay period in March, 1944. The order, a directive of the War Manpower Commission and not a law, is being applied in critical labor shortage areas over the country. Employers of 10 or more persons are affected. They must reduce the number of employees 5% by Feb. 15 and 5% by March 15, making a total of 10%. The order is not to be confused with a national service act, which has not been passed.

Males, if Possible

Workers released are all to be male employees if, in the judgment of the WMC area director, this is possible. The employer is to supply each worker released and furnish WMC a written statement guaranteeing seniority and re-employment rights.

Statements of availability will be tightened and hereafter U. S. Employment Service will be the sole issuing agent for statements of availability and referral cards whereas previously agencies had referral authority.

No Individual Orders

Apparently individual orders are not to be issued, but employers are asked to wait until the area WMC director issues instructions.

Guy Ferguson of Ferguson Personnel, Chicago, points out that no machinery has been provided for an appeal, in case an employer feels that he is unable to comply.

Apparently much is hoped from voluntary compliance with the directive, and this may achieve the purposes without the necessity of rigid enforcement.

Many insurance offices had already had their staffs reduced drastically by selective service, war work, etc., by March, 1944, and consequently the number of employees of many of them is not much less, if any, than at that time. Some do not believe that a 10% cut can successfully be made.

Prisoner of War Rider

A number of the companies in South-eastern Underwriters Association territory have been attaching a so-called prisoner of war endorsement to policies of assured that employ war prisoners in their plants. Apparently such an endorsement has not been called for in

other jurisdictions. The usual endorsement requires that the prisoner shall be searched upon arrival at the premises, and that no prisoner shall be allowed to carry matches or other dangerous articles. It is provided that the prisoners shall be subject to constant observation by civilian employees as well as by guards supplied by the army. The endorsement requires periodical inspections of the premises by civilian employees to ascertain that fire protection devices are in proper operating condition and that such an inspection shall be made immediately after the prisoners leave each day.

Those requiring the endorsement feel that the use of prisoner of war labor might be construed to be an increase of hazard such as would suspend the insurance and that an endorsement giving permission for use of war prisoners would prevent any such question being raised. However, underwriters in other parts of the country apparently feel that such an endorsement is not necessary.

Canners Exchange, Warner Reciprocal Are Examined

A convention examination has been completed of Canners Exchange and Warner Reciprocal, Chicago, by Illinois, Oklahoma, Pennsylvania and Idaho insurance departments. Canners Exchange, the older and larger of the two reciprocals, had assets of \$3,915,940 and liabilities \$1,376,667 as of Dec. 31, 1943; while Warner Reciprocal had assets of \$1,252,320 and liabilities \$816,657. The examination covers Jan. 1, 1940, to Dec. 31, 1943.

The Canners Exchange has a good cash position, examiners pointed out. Underwriting practices are termed conservative. Loss ratios increased in 1942-43 due chiefly to unusually large individual losses. Subscribers at the exchange are afforded fair treatment and obligations are promptly discharged in accordance with policy provisions, the examination stated.

Method of Operation

It writes lines, largely in the canning field, up to \$1 million but through excess reinsurance contracts limits its net liability on any risk to \$120,000. The reinsurer covers 90% of the loss in excess of \$120,000 up to a limit of \$342,000 in each loss. Catastrophe reinsurance also reinsures on an excess basis 100% of the loss in excess of \$500,000 up to a limit of \$500,000. Under an excess tornado treaty the exchange's net retention is \$50,000 with reinsurer assuming 90% of the loss over \$50,000 up to a limit of \$405,000 plus 100% of \$500,000, which makes an aggregate available limit of \$905,000.

For each subscriber the exchange maintains individual accounts on surplus (savings), reserve fund and surplus reserve. The net balance of each subscriber's account represents his proportionate share of the total surplus of the exchange.

Reserve Fund

When a subscriber receives the contract he establishes a reserve fund equal to \$2 for each \$1,000 of insurance he has in force, and this ratio is maintained with fluctuations in amount of coverage. Also surplus is distributed on the basis of the reserve fund. The subscriber must make expense and guarantee fund deposits in addition to his reserve fund, and regular published rates are used in determining the guarantee fund deposits except when "bureau" rates are below 75% per \$100 of insurance, in which case a minimum rate is set.

The liability of each subscriber under any contract issued is the proportionate share of the insurance granted by such policy as the total of the reserve fund deposit of the subscriber bears to the combined reserve fund deposits of all subscribers. Each subscriber assumes a proportion of each policy in force during the time his insurance is in force, and this liability is separate, several and not joint with any other subscriber. The amount of earned expense and guarantee fund deposits is computed monthly based on the number of days each policy has been in force. The amount so computed minus such items as may be due for losses and expenses is credited monthly to the subscribers' surplus accounts. At the end of each calendar year 80% of the surplus thus accumulated is returned to the subscriber in cash and 20% is transferred to the subscriber's credit in a separate individual account designated

"surplus reserve." The latter remain the property of subscriber until there is built up to a sum equal to five times the reserve fund of each subscriber, when the excess is returned to the subscriber in cash. The liability of the subscriber on any one risk is limited to five times the amount of its reserve fund deposit except where a risk is so divided that in ordinary underwriting it would not be understood as subject to loss from one cause.

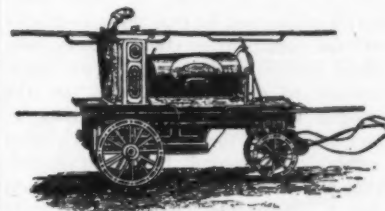
The attorney-in-fact, Lansing B. Warner, Inc., gets 20% of the total expense and guarantee fund deposits of each subscriber for administration expense. An advisory committee of five subscribers elected annually by the subscribers functions in conjunction with the attorney-in-fact. The officers of Lansing B. Warner, Inc., are: President, John Eliot Warner; vice-presidents, Newton H. Tobey and Milton R. Feeney; vice-president, treasurer and secretary, Clarence R. Leland, and assistant secretary, David L. Carlton. The exchange is licensed in the District of Columbia, 29 states, and three Canadian provinces.

The report on Warner Reciprocal was substantially the same as to character of operations, financial position, treatment of subscribers, etc. Ratios of incurred losses to earned deposits in 1940 were

26.3, 1941, 54.6, 1942, 65.5 and 1943, 60.7. The maximum line usually is \$200,000, reinsured down to \$45,000 plus 10% of any loss in excess of \$45,000, making a maximum liability of \$60,500 in any one loss. On fireproofed, sprinklered, divided risks a \$750,000 line can be written without increasing the \$45,000 retention. On other risks the net retention may be reduced to \$10,000. The limitation at \$10,000 is accomplished by means of a pro-rata reinsurance agreement with other carriers, an agreement that applies on other lines and the higher limits. The exchange's windstorm, tornado reinsurance setup permits net retention of \$25,000. Aggregate excess reinsurance up to \$1 million protects subscribers if losses exceed guarantee deposits in any consecutive 12 months.

Await N.A.I.A. Announcement

An announcement is expected next week on the plans for an abbreviated meeting of executive committee and directors to take the place of the canceled mid-year Cincinnati meeting of the National Association of Insurance Agents. It will probably be held in New York.



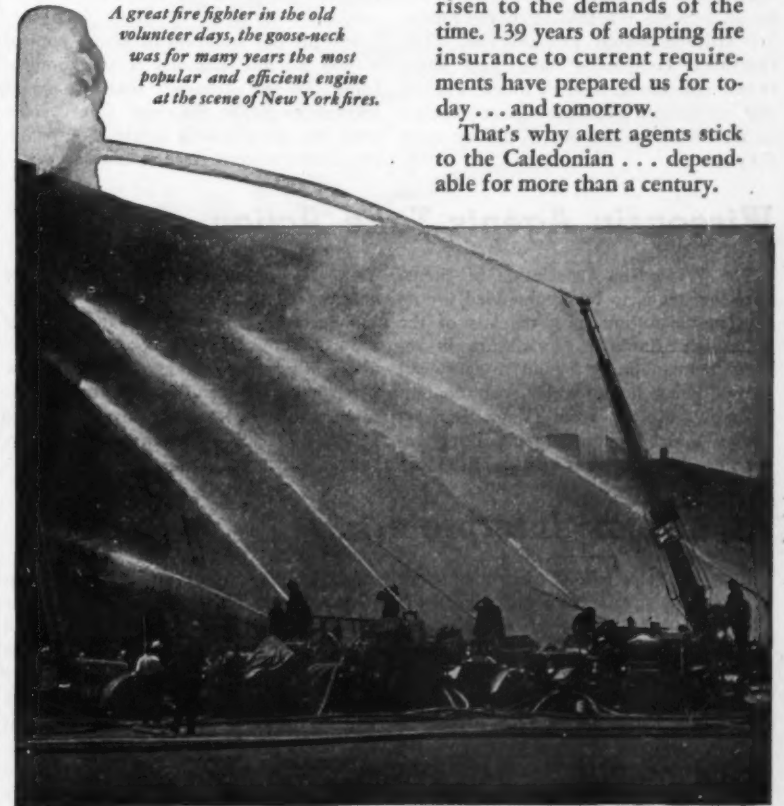
GOOSE-NECK
OR "OLD NEW YORK STYLE"

A great fire fighter in the old volunteer days, the goose-neck was for many years the most popular and efficient engine at the scene of New York fires.

EFFECTIVE PROTECTION

THE old goose-neck would be at a sad loss today. Imagine her confronted by the modern skyscraper! Fire protection has risen to the demands of the time. 139 years of adapting fire insurance to current requirements have prepared us for today... and tomorrow.

That's why alert agents stick to the Caledonian... dependable for more than a century.



THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

CHASE CONOVER & CO.

Auditors & Accountants

135 So. La Salle Street
Chicago

Telephone Franklin 3868

THE CALEDONIAN INSURANCE COMPANY

Founded 1805

Executive Offices • Hartford, Conn.

EDITORIAL COMMENT

An Unpleasant Dilemma

With the deadline for paying state premium taxes close at hand for some states and getting inexorably nearer for the others, the prospect is not an enviable one for companies faced with paying taxes which discriminate against them as out-of-state insurers. Paying under protest is an unhappy answer at best and in some states it is necessary to follow up such a move by starting suit within a short time—as little as 30 days in at least one state—or the protest becomes ineffective.

In one state a company that mentioned paying under protest was told very frankly by the authorities, "If you do we'll throw the book at you." Taxes are the lifeblood of state insurance departments and in most states contribute substantially to the general revenues. Hampering their collection is hardly likely to be regarded in a broad-minded way but rather as a most unfriendly act. There are many ways in which an insurance department can harass a company without overstepping its authority, just as there are many concessions that it can make without any real laxity in supervision.

Added to whatever trouble the authorities could cause would very likely be an adverse reaction from the public. Its attitude would probably be, "The insurance companies have paid these taxes right along, haven't they? They're just using this Supreme Court decision as an excuse to get out of paying what they owe."

On the other side of the picture is the possible liability of directors and executives if a vociferous minority of the ownership—stockholders or policyholders, depending on type of company—should decide that the company had squandered money in paying discriminatory premium taxes. There are even some authorities who feel that until and unless Congress specifically validates the power of the states to tax interstate insurance transactions the company executives and directors are getting their necks way out if they pay any premium taxes at all, even though nondiscriminatory, on such business.

Even though discriminatory and even nondiscriminatory premium taxes are later held to be beyond the states' powers, it might well be that those in charge of the companies could successfully plead immunity for liability to stockholders or policyholders, first, on the ground that they relied on advice of counsel, which they have certainly been getting, and second, because they felt that the damage to the company from the ill will of the public and the state supervisory authorities would cost the company more in dollars and cents than the amount of the tax that would be involved.

It's the old situation of being damned if you do and damned if you don't—some of the "chaos" that we were warned of if the Supreme Court sided with the government in the Southeastern Underwriters Association case.

Wisconsin Agents Take Action

The Wisconsin Association of Insurance Agents is to be commended for its step in consulting with officials of the Wisconsin Bankers Association in regard to formulating a plan to carry out the following slogan which was adopted: "Borrow Money from Your Banker; Carry Your Insurance with Your Insurance Agent". Reports published in

THE NATIONAL UNDERWRITER indicate bankers are definitely interested in automobile and commodity loans. Other reports show that bank-agent cooperation has been feasible when a definite program has been worked out. The main thing now is to turn talk into action and put a definite working arrangement in operation.

Agents as Interpreters

Earl M. Schwemm, Chicago manager of Great-West Life, in a talk before the Pittsburgh Life Underwriters Association gave a new name to insurance agents. He referred to them as "interpreters." That is a brand new title and yet as Mr. Schwemm sees it, it seems to us that it is a very appropriate one. He said that in many cases the agent must interpret conditions existing and in the offering to show how the prospect will be

affected. They are meaningless perhaps to the buyer. This affords the agent the opportunity to use what might be called the x-ray so that the prospect can see for himself what is inside. There are factors and currents that do have a vital effect on an assured and the agent should be in a position to tell the assured or prospect just what they mean and how they will enter into his life and business.

PERSONAL SIDE OF THE BUSINESS

Walter Boehmer, prominent local agent of St. Louis, has been appointed chairman of the Red Cross war fund drive of St. Louis and St. Louis county. He was selected as insurance adviser during the construction of the St. Louis ordnance plant. He has continuously represented U. S. F. & G. and American Automobile and has a non-resident broker's license for 16 states.

Miss A. V. Bowyer, who for a number of years has been the news correspondent of THE NATIONAL UNDERWRITER at San Francisco, on doctor's orders is giving up that work as well as some of her other activities. She intends to take a rest for six months or a year. She will continue to serve as executive secretary of the San Francisco Life Underwriters Association and recording secretary of the California Insurance Federation.

L. E. Ellis, Des Moines local agent, will observe his 50th anniversary in the insurance business Feb. 13. An informal open house will be held in the agency office that afternoon. A testimonial dinner will be given in his honor the evening of Feb. 12 by executives of the companies represented by the agency.

William H. LaBoyteaux, president of Johnson & Higgins, New York, and Miss Anne C. O'Donnell, New York, were married at Holmdel, N. J.

Alex Blumenthal, secretary of the Chicago Board, was compelled to undergo amputation of his left leg at Passavant Hospital, Monday, due to the formation of a blood clot. He came through the ordeal satisfactorily. Mr. Blumenthal, who is 68, in February will have completed 45 years in the service of the Chicago Board.

R. C. Hosmer, president of Excelsior of Syracuse, was taken the other day to Memorial Hospital suffering from strangulated hernia. He was operated upon and is now making a good recovery.

Lester J. Carpenter, office manager and member of the firm of the Conkling, Price & Webb agency, Chicago, and his son Robert, who was in Chicago on furlough from service with the air forces, attended the father and son banquet held at the Union League Club.

Pfc. James K. Mathews was wounded in action in Leyte Island. His father is Glenn D. Mathews, publisher of the "Insurance Magazine," Kansas City.

was a broker with Cotter & Co. Mr. Ross was born in Rockford, where the service was held this week.

R. R. Chapman, secretary of the western department of the Corroon & Reynolds group in the head office at New York since 1938 and connected with the group for more than 26 years, died at Forest Hills, his home, near New York, from a heart attack. He was born in Plattsmouth, Neb., and was 71.

He had long experience in field work and home office. First he was a local agent at Lincoln, Neb., then was state agent for Glens Falls in the Rocky Mountain field out of Denver and later



R. R. CHAPMAN

in Minnesota and Wisconsin. Then he went with North British & Mercantile, as state agent in Minnesota and Wisconsin and later was transferred to the home office as assistant general agent of the western department.

Mr. Chapman left North British in 1928 to become resident general agent for Corroon & Reynolds in Chicago with jurisdiction over a number of middle western states and later he was appointed Cook county manager. He was transferred to San Francisco in 1933 as coast manager and in 1938 was assigned to the head office at New York as secretary in charge of nine middle western and mountain states.

Mr. Chapman suffered the amputation of a leg some years ago. Services this week were attended by many friends and associates.

Arch McM. Creed, veteran Detroit agent who died recently, was widely known as a marine insurance specialist in the Great Lakes area. His death, due to a heart attack, was sudden and unexpected. His associates had not known of his heart condition. He spent the day before the attack at work at the agency as usual.

In 1915 he founded A. M. Creed & Co., the first agency in Michigan specializing in marine and transportation insurance. Aviation cover was later added. R. P. Joy, Jr., was vice-president and treasurer and G. S. Laurence secretary. In the middle 1930s the agency name was changed to Creed & Joy, with the same officers. Capt.

DEATHS

Douglas D. MacGregor, 75, of Crozet, Va., formerly in the insurance business in Charlottesville, died at the University Hospital there. For a number of years he was connected with the insurance firm of Covington & Peyton.

Ovington Ross, office broker associated with the H. E. Cotter & Co. agency of Chicago for 12 years, died at his home in Evanston, Ill., at the age of 77. He had been an insurance broker for about 20 years, starting with Moore, Case, Lyman & Hubbard at Chicago. Previously he was president of the Hall & Ross Glove Co. of Sheboygan, Wis., which his father organized. Mr. Ross' son Donald O., now a captain in the army air forces, before entering service

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704. EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force. BUSINESS DEPT.: Howard J. Burridge, President. Louis H. Martin, Vice-President and Secretary. John Z. Herschede, Treasurer.

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—560 Trust Co. of Ga. Bldg., Tel. Walnut 5867. Ernest E. Heas, Resident Manager.

BOSTON 10, MASS.—944 Park Square Bldg., Tel. Hubbard 8696. Ralph E. Richman, Vice-President.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, W. A. Scanlon, and A. S. Cutler, Associate Managers. E. E. Lindgren, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager; J. T. Maloney, News Editor.

DALLAS 1, TEXAS—528 Wilson Bldg., Tel. Riverside 3383. Fred B. Humphrey, Resident Manager.

DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS 2, MINN.—500 Northwestern Bank Bldg., Tel. Geneva 1209. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.—R. B. Mitchell, Eastern Editor; George E. Wohlge-muth, Assistant Editor; Dorothy B. Paul,

Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Mgr.

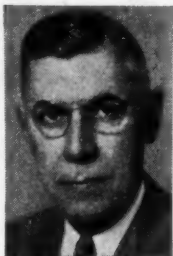
SAN FRANCISCO 4, CAL.—507-S-9 Flatiron Bldg., Tel. Exbrook 3054. F. W. Bland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.



G. S. Laurence of the Michigan state troops now supervises the agency's operations.

Active for some years in the Detroit Association of Insurance Agents, Mr. Creed was elected a director in 1940.

Convers Goddard, who conducted the Chicago insurance brokerage firm of Goddard & Co. and who was a partner in Goddard & Heinselman of Minneapolis, suffered a stroke in his office while he was telephoning and was removed to Michael Reese Hospital where he died a few hours later.



Convers Goddard

Mr. Goddard was born at Zanesville, O., in 1881 and had been in the insurance business since 1900.

Mr. Goddard started in the insurance business at New York with Frank & DuBois. Then in 1902 he went with North British & Mercantile in Chicago and in 1910 went with New York Underwriters there as special risk underwriter. Then in 1912 and 1913 he was with Johnson & Higgins and for the next year was with H. J. Straight. He started Goddard & Co. in 1914 and in 1920 became a partner in James H. Parker Co., of Duluth, the title of which was then changed to Harper & Goddard. Later the firm became Goddard & Heinselman when Everett Heinselman moved to Minneapolis. That firm has specialized in insuring coal barges on the Great Lakes and conducting accident prevention work in connection therewith.

Mr. Goddard combined a fine technical insurance and engineering knowledge with a captivating personality. He was thorough and exact in his work without sacrificing human qualities. He was always considerate of others.

Mr. Goddard was a vestryman at St. Chrysostom's Episcopal church, Chicago. For several years he was secretary of the board of trustees of Francis W. Parker School in Chicago. He attended regularly meetings of the insurance division of the American Management Association. He attended Kenyon College in Ohio with the class of 1902. His brother, T. J. Goddard, is a partner of Chubb & Son in New York. Besides Mrs. Goddard there is a daughter, Mrs. d'Alte A. Welch of Cleveland, and a son, Ensign George B. S. Goddard, on active duty in the Pacific.

Funeral services were at St. Chrysostom's church Monday afternoon and interment was at Zanesville.

Mr. Heinselman arrived in Chicago the day after Mr. Goddard's death and will remain there so long as he is needed.

Paul Zoelzer, 67, retired Minnesota state agent of Agricultural, died at Northwestern hospital, Minneapolis, where he had been a patient only a few days. He had been in poor health for some time, however. Mr. Zoelzer had spent nearly 50 years in the insurance business. In his early years he was with the Indiana and Illinois Inspection Bureaus. Later he traveled Wisconsin for Netherlands and Atlas, going to Minnesota almost 20 years ago for Agricultural and retiring two years ago. Many insurance men attended the funeral Monday.

Quincy C. Black, manager of Home in Memphis for the past three years, died there. Burial was at Dayton, O., his former home.

Herman Zander, 78, founder and head until his death of the Zander Agency, Nashville, died following an 18 months illness. Born in Germany, he came to the United States at 14. As chairman of the insurance committee of the Davidson county court, Mr. Zander completely revised the policy of the court in insuring its school and other property and was rated as one of the court's most valuable members. A son, Julian, was associated with him in the agency.

Robert L. Pierrepont, 68, who had

been a director of Hanover Fire and Fulton, died of a heart attack in downtown New York. He had been a director of Hanover since 1907.

Adam E. Lauber, 52, executive special agent of Central of Baltimore, died in that city after being ill for several months. He had been with Central since 1923.

Mrs. Belle M. Weaver, 85, widow of the late Harry T. Weaver, one of the founders of the old fire insurance firm of Pirtle, Weaver & Menifee, and brother of former Mayor Charles Weaver of Louisville, died at Louisville.

Alfred T. Schauer, 50, operator of the Schauer-Reed Insurance Agency, Canton, O., died. With Leo Reed, who died last March, Mr. Schauer opened the agency 25 years ago.

Western Adjustment Report on 1944 Loss Operations

(CONTINUED FROM PAGE 3)

proximately the same percentage increase in the number of inland marine losses as in previous years, due to a larger volume of business written by the companies and to somewhat broader interpretation of certain types of coverage. A substantial number of large motor truck cargo losses occurred, the high values involved being due to the fact that shipment consisted wholly or in large part of valuable government ordnance destined for the armed forces. There were numerous large bailee's and furrier's customers' losses. Because there is lacking an agreement on the assumption or division of liability as between bailee's insurers and companies writing household goods policies on customers of the bailee, confusion and difficulty is experienced in handling such adjustments, the report states. Joint committees now are engaged in studying the problem and perhaps a mutually agreeable solution can be worked out.

Aviation hull losses declined due to the drastic curtailment in private flying. The organization in 1945 enters its 60th year.

Farewell for H. R. Scherme

Supervisors of Aetna Fire gathered at a luncheon in honor of H. Richard Scherme, supervisor of the brokerage department, who is leaving Hartford to assume new duties in New York.

Mr. Scherme started with Liverpool & London & Globe. When Standard of New York was formed in 1922, he joined that company and subsequently became assistant secretary in charge of agency fire underwriting for all territories supervised from New York. When that company was purchased by Aetna Fire in 1941, he was transferred to Hartford. He was supervisor of the war damage insurance department for a time and then was made supervisor in charge of brokerage.

E. Wallace Champion, chairman of the supervisors' conference, presided.

Mr. Scherme is joining Northern of New York in an official capacity in the western department.

Minneapolis Testimonial Dinner

MINNEAPOLIS — One hundred sixty-six field men and local agents turned out for the testimonial dinner Monday for Charles Lund, general manager, and M. B. Ryon, manager of the Fire Underwriters Inspection Bureau. The dinner was principally to honor Mr. Lund for half a century service and to welcome Mr. Ryon as manager of the bureau.

Charles F. Liscomb, Duluth, past president National Association of Insurance Agents, was master of ceremonies. Commissioner Johnson and Senator Jukowski, chairman of the senate insurance committee, were guests. The menu was cleverly worked out in insurance terms used by the inspection bureau.

A layman's notion of how fire insurance rates are made was given by Frank L. Madden, secretary to the mayor of St. Paul. Gifts were presented to both Mr. Lund and Mr. Ryon, presentation

speeches being made by John Jackson of Weeks & Jackson, representing the field men, and by Richard A. Thompson, Wirt Wilson & Co., for the local agents.

\$98,000 Michigan School Fire

Fire destroyed the high school building at Lowell, Mich. There was \$98,000 insurance, and the loss is estimated total.

W. H. Miller Resigns Ill. Post

W. H. Miller has resigned as Illinois state agent of National Union, a position he has held 6½ years. He was with the Illinois Inspection Bureau 12 years, then with Home, then he traveled in Oklahoma for Firemen's. He returned to Illinois with F. & G. Fire and later went with National Union.

Hobbs Bill Back Again

WASHINGTON—Rep. Hobbs, Alabama, has reintroduced his bill as H. R. 38 to strike at illegitimate insurance companies by denying use of the mails to concerns not complying with state laws.

The bill would not bar use of the mails in collection of renewal premiums on life, accident and health contracts, or in making claims, adjusting and paying same. It would also not apply to rein-

surance contracts, fraternal, church or denominational corporations or beneficiary associations, marine insurance, group insurance, commercial traveling-men's associations or corporations; educational groups, associations or corporations, and newspapers, magazines and periodicals. The groups are specifically defined in the bill.

W. Ray Thomas Talks

W. Ray Thomas, president of the National Association of Insurance Agents, spoke at a meeting of the Philadelphia association.

Other speakers were Frank D. Moses, secretary; V. V. White, president; Herman D. Wolff, state national director Pennsylvania Association of Insurance Agents, and President Howard Coe of the Philadelphia association.

Barnett Back from Army

Henry C. Barnett has rejoined Hanover as agent in Alabama, following his honorable discharge from the army.

Am. States Chicago Branch

American States has opened a Chicago branch in the Insurance Exchange building with Vice-president J. G. Maloney in charge.



The KANSAS CITY's central location permits both our Agents and our Home Office and Field Staff to be quickly and mutually available by whatever means of contact a situation may require. Call on us freely for any help at any time.

Monty T. Jones
PRESIDENT



KANSAS CITY Fire and Marine

INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCHANGE

KANSAS CITY

REINSURANCE

CASUALTY
FIDELITY
SURETY

EUROPEAN GENERAL
REINSURANCE
COMPANY,
LTD.

OF LONDON, ENGLAND

United States Branch
99 John Street, New York

T. L. HAFF, U. S. Manager

ESTABLISHED 1911



E. BRANDLI, Asst. U. S. Manager

UN

Soc
Exp
Rev

So
Me
for

WA
cial se
erage
tional
sons i
the so
the So
report
tion t
tutes
ity an
vised
paid v
Stre
system
ance l
that a
this co
averag
from t
lions
power
lion m

Los o
In
ment
th it
ad of
the w
bilities
id lit
wings
rary
eater
nploy
"Our
mong
ailing
rage e
occupat
ries ha
for wag
ability;
against
ability."

The
tion for
pay the
care. I
and "re
pitals o
board s
ance sh
from th
tem sh
dom to
improve
port say
insuran
centrali
ments v
could b

Would

The
and hos
prepaym
system,
by fami
no one
cial blo
each ye
medical
year."

The r
ures sh
countrie
need for
that th
being t
world."

Social Security Expansion Plans Reviewed by Board

Soft-pedals Socialized Medicine in Plea for Health Cover

WASHINGTON—Extension of social security old-age and survivors' coverage to some 20 to 25 million additional employees and self-employed persons is among outstanding changes in the social security law recommended by the Social Security Board in its annual report. The board also takes the position that "inadequate coverage constitutes the major defect" of social security and that the benefit should be revised to assure higher benefits for low paid workers.

Stressing the recommendation that a system of disability and sickness insurance be set up, the board points out that an average of 7 million persons in this country are sick or disabled on an average day, that the annual wage loss from these causes is from \$3 to \$4 billions and the annual loss in working power runs between 1½ and 3½ million man years.

Loss of Earnings Cited

In its effect on family security, permanent disability is like old age, except that it involves additional medical costs and often comes unexpectedly, at a time when a worker's family responsibilities are greatest and when he has little opportunity to accumulate savings. Loss of earnings during temporary disability is likely to cause greater hardship than losses during unemployment, the board states.

"Our country stands almost alone among the great nations of the world in failing to protect the great majority of wage earners against incapacity of non-occupational origin. Thirty-one countries have compulsory social insurance for wage earners against permanent disability; and 32 countries have insurance against wage loss in temporary disability."

The board renews its recommendation for a system of insurance to prepay the costs of medical and hospital care. Disavowing "socialized medicine" and "regimentation" of physicians, hospitals or patients in this connection, the board says any system of health insurance should be designed to get away from these "fears," and that such system should protect the patient's freedom to choose his doctor and should improve medical care quality. The report says that administration of health insurance benefits, "should be so decentralized that all necessary arrangements with doctors, hospitals and others could be worked out on a local basis."

Would Soften Individual Blow

The board said that "medical care and hospital costs could be provided by prepayment under a national insurance system, at no greater cost than is paid by families on the average today, but no one family would suffer the financial blow that comes now to many in each year, while others may have no medical expense in that particular year."

The report points to comparative figures showing death rates by states and countries, partly to demonstrate the need for health insurance, pointing out that the United States "is far from being the healthiest country in the world." Decline in death rate is attrib-

Embezzles \$214,563 Over 23 Years Before Discovery

MINNEAPOLIS—How a \$190 a month bookkeeper-cashier for the Northern Finance Co. of Minneapolis got away with \$214,563 of the company's funds over a period of 23 years and, according to his own story, has none of it left, is revealed in one of the most amazing embezzlement cases ever uncovered here. Massachusetts Bonding is on the immediate bond but Continental Casualty and the old Northwestern Casualty of Milwaukee had previously bonded the company.

Over the 23-year period Rodier's peculations, according to his own figures, averaged \$9,300 a year. More than half of the \$214,000 was taken in the last eight years.

By a clever manipulation of an adding machine, Leo Rodier, 49, had fooled auditors year after year. They had accepted the adding machine figures as shown on the tape until their most recent audit when they decided to take the balances off themselves. Immediately they discovered a shortage and Rodier made a statement, under questioning by I. E. Meagher, attorney and adjuster, admitting the shortage. Not only that but he pulled from his desk a carefully kept record showing the shortage down to a penny. All through the 23 years Rodier had meticulously kept this record. "I thought I would replace it," he said.

Can't Account for Funds

Rodier has not furnished a satisfactory account of what became of the \$214,000 he took. He claims in his statement he never gambled, drank only a little, did not live extravagantly, yet insists that his assets consist of a modest home on which there is still a small mortgage, an automobile and a trifling bank balance. He says that on Dec. 28 last he allowed a \$10,000 life insurance policy in Prudential to lapse.

Representatives of the finance company and of Massachusetts Bonding are not quite convinced that Rodier has no assets other than those he mentioned in his statement and they are pursuing their investigation. Rodier was arraigned in court on first degree grand larceny charges. He has a wife and four children ranging in age from 12 to 20.

New Man Tops Company

COLUMBUS, O.—In his first month as a member of the home office agency of Ohio State Life, LeRoy S. Hood led the company in health and accident premiums. He also was one of the life leaders.

uted largely to reduction in infectious diseases controlled through public sanitation measures and other public health department activities.

While making recommendations indicated above, the Social Security Board reiterates its belief that "the most effective and economical method of organizing social insurance is through a single comprehensive national system, establishing a basic minimum protection, with which special or additional programs could be coordinated."

This proposed system, the board says, "should be decentralized in administration and should render individualized service through local offices."

Rep. Dingell has introduced a bill for a national unified social insurance system, but it has not been put in at the other end of the capitol. From official sources comes word that Senator Wagner, New York, who sponsored the administration bill with Senator Murray last Congress, wants to make some changes in it.

Sholl Deprecates Defeatist Attitude

National Association of
Accident & Health Under-
writers Meeting in Omaha

By FRANK A. POST

OMAHA—In spite of the many and varied problems now confronting it,

there is no reason for accident and health insurance to take a defeatist attitude, Clarence A. Sholl, Globe Casualty, Columbus, president National Association of Accident & Health Underwriters, declared in opening its winter meeting here, probably the last convention of a national insurance group for the duration.

There is much talk today of trends and changes in the accident and health business, "but after all," Mr. Sholl asked, "doesn't most business undergo changes in order to progress?" Aside from the war, topics most often discussed by insurance men are national legislation, the Supreme Court decision that insurance is commerce and the extension of social security. The situation is admittedly serious, but he declared that "we have done a fine job—we are doing a still better job—we can and will do a better job tomorrow." There are some 400 companies with approximately 520,000 associates extending their services to an estimated 40 million people, with resulting premiums of more than \$525 million in 1944.

Mr. Sholl emphasized that all-out duty to the nation must be the first consideration and pointed out the need for cooperation and unity in business as well as national affairs. He praised highly the work of the Omaha group which had charge of the arrangements for the convention and particularly the theme chosen for the conference: "A Better Sales Job Will Keep Accident and Health Insurance a Private Enterprise."

In taking up the work of the National association, he reviewed very briefly its 16 major activities, represented by the principal committees, and showed how they are converting objectives into services.

Educational Work Reviewed

Speaking on "Progress Through Education," Mansur B. Oakes, chairman of the committee on education, announced that the committees on public relations and education have worked out a handbook of programs for local associations. An endeavor has been made to provide six programs of education in accident and health sales techniques for the man in the field, six programs for local association meetings and another set of programs which will enable local associations to take advantage of the experiences of other associations in educating the public in accident and health protection.

He also reviewed the plans for the accident and health course to be given at Purdue University starting Feb. 12, which was announced last month.

He said the life men in this country have gone far in their educational work, which has a broad base in the C.L.U. program. He characterized it as a mind-stretching program. He declared that the influence of education also is seen in the qualification laws of the states and that the working of these laws demonstrates the need for better educational preparation.

(CONTINUED ON PAGE 25)

R.F.C., Maryland Casualty Vindicated by Federal Court

Judge Iggoe Dismisses Suit of Stockholder Complaining of 1942 Transactions

Maryland Casualty and Reconstruction Finance Corporation were vindicated in a decision that was handed down by Federal Judge Iggoe at Chicago in connection with the transactions of 1942 whereunder the government agency increased its stake in Maryland by \$12½ million. The trial took place nearly a year ago.

The principal complainant was Milton L. Williams of Crutenden & Co., Chicago investment house, who has been very active in the sale of Maryland stock on the theory that a decision for him in this suit would sharply increase the interest of the common stockholders other than RFC in Maryland.

"The transaction of 1942," Judge Iggoe concluded, "represents a business decision which RFC had the right to make under the terms of the contract for the loans of public money. It was its duty to protect those loans. There was not any illegality in the steps taken to procure the approval of the refinancing plan or in the terms of the plan itself."

The decision recalls that in 1934 RFC made available \$17½ million to Maryland. Part of the arrangement was that the charter of Maryland should be amended so as to provide for issue of preferred stock with voting power and conversion rights, which gave to RFC complete control of Maryland if and when it saw fit to exercise such control.

Obligation of RFC

RFC was loaning government money and was charged with the obligation of making sure that the public interest would not be jeopardized by officers and directors over whose acts RFC had no control, the decision declared. The voting power given to the preferred stock placed RFC in control of Maryland's ordinary business while the right to convert preferred into common stock enabled RFC to control any matters which required approval of both classes of stockholders. The common stockholders approved the amendment and it does not appear from the record that from 1934 to 1942 any stockholder objected to or even questioned the propriety of protection which RFC exacted as a condition of making the loan.

It is obvious that RFC was the directing hand in the management of Maryland and that the policy pursued was one which was controlled by RFC. For three years interest was paid on the loans through a declaration of dividends of RFC's preferred stock. However, the management decided to discontinue paying dividends after June 30, 1937, and to use available funds to carry out the plan for retiring mortgage guarantee liability. This was necessary in order to restore the standing and credit of Maryland in the insurance field. RFC granted extensions of principal.

Deferred Dividends Pile Up

Between 1937 and 1942 outstanding obligations and debentures of Maryland amounting to more than \$33 million were retired at a net cost of about \$7½ million. During the same period deferred dividends on the preferred stock

(CONTINUED ON PAGE 26)



C. A. Sholl

Moreton Tells Value of Bond to Equipment Dealer

Speaking before the annual meeting of the Associated Equipment Distributors at Chicago, Fred A. Moreton of Salt Lake City, immediate past president of the National Association of Insurance Agents, discussed the protection provided by contract bonds and the responsibility of a surety to equipment distributors.

Mr. Moreton said the equipment distributor is interested in what protection he has under a bond and how it bene-



FRED A. MORETON

fits. Some of the dealers have the notion that surety companies bonded every contractor whether they were entitled to the bond or not and that the equipment distributor is not informed that the contractor is in financial difficulties sometimes until as long as a year after he has become solvent.

Mr. Moreton remarked that the surety companies have the same complaint with respect to lack of knowledge concerning financial difficulties of the contractor.

The interests of the owner, he said, are best served when the contract-bond underwriter has furnished a bond upon which there is no loss and when the contractor completes the contract in the agreed time in accordance with the plans and specifications and promptly discharges all claims.

"The requiring of a bond prequalifies the contractor and minimizes chances of loss to sub-contractors, material houses and equipment distributors, because many unqualified contractors are thereby eliminated. The bond is a very powerful ally in case of the death or disability of the owner, partner or keyman in the contractor's organization, and sometimes is called upon to fill a gap caused by fire or other casualties resulting in losses not adequately covered by insurance. It acts as a safeguard in case of over extension or a sharp rise in the cost of labor or material or other unforeseen conditions such as unexpected hard rock or floods.

Defaults Are Avoided

"Numerous defaults have been avoided as a result of claim prevention activities of surety companies. Numerous contractors are tided over financial and other difficulties with the assistance of the surety, usually without the knowledge of the owner or inconvenience to the owner.

The equipment distributor is in a preferred position, he said. He has advantages in reducing or eliminating credit losses because he sells his equipment as a rule under a title-retaining note and if the monthly payments are missed he can repossess, and because if the monthly payment is missed he can

Proper A. & H. Selling Will Lead to Public Satisfaction, Fraizer Declares

Although compared with other businesses insurance is sound and decent, there is room for improvement in a small minority of insurance activities, C. C. Fraizer, insurance director of Nebraska, said in a talk at the mid-year conference of the National Association of Accident and Health Underwriters at Omaha Wednesday.

Health and accident insurance, if not already a basic coverage, is rapidly becoming so, he said.

Don't Understand Contract

It is evident, he commented, that many people who communicate with the Nebraska department regarding health and accident insurance find it necessary to do so because they do not understand their contract. If the agent who sold the insurance had so explained it as to make the contract clear to the policyholder, dissatisfaction would not arise. An agent may fail properly to explain the contract because he wants to withhold information regarding the unattractive provisions in order to better his chances of making a sale. Yet, he said, it is the primary duty of an agent to explain properly in detail not only the benefits but also the policy provisions, especially those limiting the benefits payable during the early part of the disability period.

It is naturally a surprise and frequently a shock to the policyholder to find that in order to collect indemnity and disability he must have regular

tell the surety he is going to remove the equipment from the job. That is a potent weapon. Equipment dealers say that as a rule if they have credit losses it is due to the fact that through stress of competition they have violated their own rule in the extension of credit.

"The surety bond never was intended to take the place of your credit department and to say you are better off without a bond is just as unsound as to say that you would be better off if the contractor was prohibited from borrowing money from a bank to finance the job," Mr. Moreton declared.

"A contractor's financial statement disclosing adequate working capital with a margin of safety is indispensable. Inadequate capital has caused more trouble than any other source, but unless the contractor has the proper price the work cannot be completed without loss to the contractor and may involve the surety.

Helping Equipment Dealer

"A bondman can help the equipment dealer. The qualified bondman as a rule is very close to the contractors, knows their financial responsibility and their equipment requirements.

"The experienced surety underwriter endeavors to make the business safe for himself and in doing so is making it safe for everyone—the contractor, the equipment dealer and the material man.

"One of the great difficulties in promptly handling claims is the failure of the creditors to establish conclusively the job or project to which the material or parts were furnished. In many cases your claims have been delayed and sometimes questioned because of your failure to keep accurate records of the job to which the items or work should be charged."

Mr. Moreton suggested that each equipment dealer see that set up bills can be properly identified as to the particular contract or job. He will then be able to present his claim more promptly and will not be asked to take a discount which is sometimes asked when the dealer is unable to allocate his bill to a particular job. If a contractor has three or four jobs going at the same time there will be different companies guaranteeing the payment of the bills.

treatment by a physician, must be house confined, is entitled to only half benefits for the first 15 days, or must wait 30 days before health coverage becomes effective.

Explanation of these requirements might not aid in the selling of a policy but would certainly improve its persistency and satisfactory claim settlements, Mr. Fraizer declared. They can be explained at the time the sale is made without adverse effect, he said, or when questions regarding the restrictions are asked the necessity for them could readily be explained and it could be pointed out that they are requirements generally of all companies. This done, there would be far fewer terminations due to subsequent dissatisfaction when the restrictions are discovered and the policyholder becomes convinced the policy was misrepresented. Business sold properly will renew much better, Mr. Fraizer said. Policyholders will be satisfied and will suggest names of friends as prospects.

Will Try for SS Extension

Increased agitation for an extension of the present social security program can be expected, Mr. Fraizer declared. Such an extension will find favor only if there is dissatisfaction with the present means of providing disability insurance, and those in insurance owe it to the business and themselves to so conduct themselves and explain the business to policyholders that the latter will feel no necessity of turning to other sources for adequate protection, he added.

He paid tribute to companies specializing in writing accident and health business for their share in the growth of those lines in the past few years. Their energy in developing policy forms to meet the demand of various classes of buyers, conducting educational programs for agents to better equip them to sell the policies, their broadening of coverage to include group, hospitalization and surgical benefits and their conduct of the business so that satisfied holders of this kind of insurance have recommended it, all have contributed to this growth, he said.

He added, however, that while the health and accident committee of the National Association of Insurance Commissioners at its meeting last December in New York generally approved the official guide for the filing for approval of accident and health contracts, it discussed somewhat critically the loss adjustment records of some accident and health companies with low loss ratios. He said that no company can justify its existence which does not pay back to policyholders a reasonable proportion of the premium dollar collected. The committee also considered uniform group accident and health insurance losses.

He wondered if at the war's end the present increases in accident and health volume would disappear and be succeeded by downward sale trends. What effect, he asked, will there be on insurance when agents now in service return to civil life and less insurance is written by more persons? He suggested that companies should keep their organizations sufficiently elastic to adjust themselves to any foreseeable trend. He said he was apprehensive regarding the return to the business of many marginal agents temporarily in other lines. Perhaps the insurance departments can keep some of these marginal agents permanently out of the business, he said.

Kemper Agents Parley at Atlanta

A meeting for agents of the southeastern states was held Monday by Lumbermen's Mutual Casualty and American Motorists at Atlanta. The home office was represented by Executive Vice-president H. G. Kemper and 10 other officials, and the southeastern department by Manager E. G. Hitt, and nine other officials.

Submit Model Rating Bill to Cal. and N. C.

NEW YORK—Committees of the Association of Casualty & Surety Executives and National Association of Mutual Casualty companies have completed a model casualty and surety rating bill, except for possible revisions which may be made at another meeting Jan. 30-31. However, the bill in its present tentative form is being submitted to the California and North Carolina departments because of the need to have something there for immediate consideration.

Ask N. C. to Take Industry Rate Regulation Bill

A hearing is being held this week at Raleigh, N. C., before the governor's commission that drafted three bills providing for rate regulation of every line of insurance. The stock and mutual companies' representatives went to Raleigh with the intention of urging very strongly that in place of the casualty rating bill recommended by the governor's commission, the bill that was agreed upon last week by the Association of Casualty & Surety Executives and National Association of Mutual Casualty Companies be submitted. Final agreement on the industry bill was reached last Thursday except for some slight refinements. The casualty people have no quarrel with the North Carolina proposals but they are very anxious to have the greatest degree of uniformity that is possible in the various states.

The North Carolina commission recommends that the present workmen's compensation rating set up and that automobile third party coverages be retained and also in the interest of uniformity the casualty representatives intend to urge that these lines be subject to the rate control that is contained in the agreed bill.

The casualty group that will appear at the hearing includes Dewey Dorsett Association of Casualty & Surety Executives; E. W. Sawyer, National Bureau of Casualty & Surety Underwriters; John Hamilton and J. M. Eaton, National Association of Mutual Casualty Companies.

The stock-mutual agreed bill has been sent to California where the legislature is tackling rate regulation proposals.

Hartford Accident Special Agents in West Meet

The annual special agents conference of Hartford Accident in the western department was held at the Edgewater Beach hotel, Chicago, two days last week. J. W. Reitz, assistant manager, presided at the round table sessions. George H. Moloney, vice-president, was in charge of the meeting; John L. Barter, secretary, attended from the home office, and Joseph Garneau of the home office spoke on accident and health coverage. James R. Graham, production head and western department manager of U. S. Aviation Underwriters, discussed aviation insurance. John C. Hyde, manager, Charles Dubach, production manager, and department heads were on hand. Approximately 50 attended the banquet.

K. A. Jones, resident engineer of Travelers in Chattanooga, Tenn., addressed the women's division of the Chattanooga Safety Council on "The Safety Triangle—in Industry, Home and School."

Bond protection will be the topic discussed at the February meeting of the Insurance Buyers Association of Minnesota in Minneapolis.

F. & for Emp

Non Is V Pas

A re lished for delity & by direc Treasury mitted t

Design ity bene office an ages of who hac of servi employe when th

To Hav

The f Traveler without employe establish be held toward t nities c

The a upon th amount employe 1944, the as of th service s

tual basi will be b 1% of b for each service, maximum ploye is

Flexible

Under ment wid day of ploye's 6 present c ment ag affairs, a of retire the discr

continue in three year date. T stances of the m tire after annuity.

Arrang cover em 1944. T managem to three upon ret lowance

the same ployes in ity contr

Cens 4% D

Acci

WASH estimates the Unit 95,000. 7 of about total of

corded. The b 1944 was sample o during th

Plan Se

The Te partments jury func

F. & D. Has Plan for Retirement of Employees, Officers

Non-Contributory Program Is Written in Travelers; Past Service Credits

A retirement plan is being established for officers and employees by Fidelity & Deposit. It has been adopted by directors subject to approval by the Treasury department, and has been submitted to stockholders for ratification.

Designed to supplement social security benefits, the plan includes all home office and branch employees between the ages of 30 and 65 as of Dec. 15, 1944, who had completed at least a full year of service with the company. Other employees will be included under the plan when they meet these requirements.

To Have \$1,250,000 Trust Fund

The full cost of the plan, written in Travelers will be borne by the company, without requiring any contributions from employees. An unusual feature is the establishment of a fund of \$1,250,000 to be held in trust and applied exclusively toward the payment of premiums for annuities covering past services.

The amount of annuity will be based upon the length of service and the amount of salary. For that part of an employee's service antedating Dec. 15, 1944, the basic annual salary he received as of that date will be used, and for his service subsequent to that date, his actual basic annual salary after that date will be used. Benefits will approximate 1% of basic annual salary up to \$3,000 for each full year of past and future service, and 1½% on the excess. The maximum annuity payable to any employee is \$1,000 monthly.

Flexible Retirement Provision

Under normal circumstances retirement will be compulsory on the first day of the month following the employee's 65th birthday. However, to give present employees near the normal retirement age opportunity to adjust personal affairs, any employee within three years of retirement age Dec. 15, 1944, may, at the discretion of the management, continue in active service for not more than three years beyond normal retirement date. There also are some circumstances under which, with the consent of the management, an employee may retire after reaching age 55, on a reduced annuity.

Arrangements also have been made to cover employees 65 or over on Dec. 15, 1944. They may, at the discretion of management, remain in active service up to three years after Dec. 15, 1944, and upon retirement will be granted an allowance to be paid by the company on the same basis as is provided for employees included in the retirement annuity contract.

Census Estimates 4% Drop in Accidental Deaths

WASHINGTON—The census bureau estimates that deaths from accidents in the United States in 1944 numbered 95,000. The estimate indicates a decline of about 4,000 such deaths from the 1943 total of 99,038 accidental deaths recorded.

The bureau stated its estimate for 1944 was based on the result of a 10% sample of death certificates collected during the calendar year 1944.

Plan Second Injury Fund

The Tennessee insurance and labor departments are sponsoring a second injury fund bill.

\$150,000 Safe Deposit Box Loss—No Insurance

Approximately \$150,000 in cash, securities and valuables was stolen from 177 safety deposit boxes in the E. H. Rumbold Real Estate office at 624 West 119th Street, Chicago. Five men seized the watchman and while he was guarded by one, the other four used crowbars to open the boxes.

E. H. Rumbold told police there were no burglar alarms in the office and that he had no insurance on the 280 boxes in the vault. Robert C. Rumbold, 73, a brother, was the watchman at the office. Many of the boxes contained war bonds.

Insurance Problems in Ward's Seizure

The seizure of Montgomery Ward & Co. by the army has caused some nice insurance questions to arise. It has been necessary for the army to purchase casualty insurance on its own account including workmen's compensation, general liability and automobile. The same company that has the regular Montgomery Ward insurance on an excess basis has written primary insurance for the army.

The army has agreed to waive the defense of governmental agency in connection with its operation of Ward's and to consider its liabilities as those of a private corporation. The relationship between Montgomery Ward and the army is strained and there are some tangled situations. The insurance that the army has taken is on account of employees that the army has put on acting independently of Montgomery Ward management, automobiles operated by the army, etc. The insurance was arranged by Marsh & McLennan.

New Provisions of N. J. Blue Cross Plan Are Analyzed

The new and broader provisions and rules of Hospital Service Plan of New Jersey were outlined by its executive director, J. A. Durgom, at the annual meeting of the New Jersey Health & Sanitary Association of Newark.

Under the new group enrollment scheme benefits are allowed for existing ailments and certain conditions formerly excluded are now allowed benefits including arthritis, tuberculosis, mental and nervous disorders, venereal diseases, alcoholism or drug addictions and intentionally self inflicted injuries.

Maternity waiting period is reduced from 11 to nine months following effective date of a new group enrollment family contract in which husband and wife are jointly enrolled.

Maternity benefits are limited to 10 days. For other conditions, benefits are allowed for the first 21 days on a basis of maximum benefits, then there is a partial allowance up to \$3.63 per day up to 90 additional days for a contract year. That is in the nature of a restriction, since the former contract gave unlimited partial allowance after the first 21 days.

The new contract does not provide for an automatic termination of persons at the end of a contract year in which age 70 is attained. This assures possibility of continued enrollment subject to the experience of the plan.

There are now only two rates, one for unmarried and one for married subscribers. The price is the same for families no matter how many there are in the household. The individual enrollment contract is the same as for group except that it does not provide for maternity service and for existing physical impairments.

There are more than 650,000 persons enrolled in the New Jersey plan, he said. The plan's experience has been that about one out of four hospital cases

Many Legislative Problems Facing A. & H. Insurance

OMAHA—The prospects for the introduction in state legislatures this year of many bills dealing with sickness, hospitalization and medical care plans, aside from the situation in Congress, and the rapidly increasing social security trend, as brought out by the U. S. Chamber of Commerce, were reviewed by W. B. Cornett, vice-president Loyal Protective Life and chairman of the legislative committee of the National Association of Accident & Health Underwriters, at its meeting here.

While the Wagner - Murray - Dingell bill died with the end of the 78th Congress, he said that unquestionably further efforts along that line will be made at the present session of Congress. Following the Des Moines meeting last January, copies of a resolution opposing the bill were sent to all members of Congress. Mr. Cornett quoted from replies received from many congressmen and senators, all of whom are serving in the 79th Congress, approving the association's stand. He said, however, that of course there is no way to forecast the new Congress' attitude toward compulsory health insurance, adding: "I only wish there were."

Expensive in Rhode Island

In connection with state legislation, he gave especial attention to the program now in operation in Rhode Island, pointing out that between April 1 and Sept. 30, 1944, the fund paid out \$724,519 more than it received. As of Oct. 31, 1944, its balance stood at \$2,758,684, so that should such a drain continue the entire fund would be exhausted in less than two years. The governor, in his inaugural message, pointed out the seriousness of this trend and measures are to be introduced in the legislature to avoid insolvency by strengthening the fund.

An interesting observation he made in connection with the experience there is that while accident and health companies usually find that claims are heavy in winter and light in summer, under the Rhode Island plan they were heavy in the winter months and still heavier in the summer, proving the presence of a distinct moral and malingering hazard.

Experience in Rhode Island

It is reported that a plan will be introduced in the Minnesota legislature providing up to \$35 per week for either sickness or accident for 16 weeks, beginning with the 15th day. To finance this venture 1% of employees' wages or salary would be deducted monthly and deposited in a benefit fund to be set up by the state. This will not include hospitalization, medical care or other expense caused by sickness or accident.

He took up the recent proposal of Governor Warren of California for a medical care and hospital plan there, commenting that the governor, who is known to act in the best interest of the people, could not possibly know the weaknesses of the proposed project. He said that this is brought out very forcefully in Rhode Island, where many companies have stopped writing group accident and health, because of the state plan.

On the other side, he reviewed the recent report of the Massachusetts Advisory Council, which held there was no

consist exclusively of medical treatment, two are for surgical care and one is for obstetrical service. About two out of three hospitalized are family dependents. A married woman is the most likely to be hospitalized, the child is less likely to require such care and the father is the least likely to enter a hospital.

The plan is paying out about 80 cents of each dollar of premium for benefits. About 7 cents is reserved for contingencies for future benefits while the expense ratio was 13.

need for a state compulsory plan in that state, and the overwhelming defeat in the state of Washington of an initiative proposal calling for full support of the Wagner - Murray - Dingell bill, which would have meant an elaborate compulsory state health plan.

As to the general trend, he quoted the statement of Eric Johnston, president of the U. S. Chamber of Commerce, that "social security is here to stay. Business men had better realize this and take the lead in providing a sound and workable program." He also referred to two of the declarations in the 21-point security program approved by the chamber. One of them says: "If, after a reasonable period of time, the private effort of employers to provide protection against non-industrial and non-occupational disabilities and sickness still leaves substantial gaps in coverage, only then should public action be taken," and the other states that if such public action is taken, it should be at the state and local levels of government rather than at federal level.

Industry Can Meet Challenge

He expressed the belief that the private insurance industry can meet this challenge, citing particularly the program of the Health & Accident Underwriters Conference, which now has committees working on medical care plans, low-cost accident and health insurance and substandard health insurance. "There is every reason to believe that our companies can supply the protection needed by the public, excepting a comparatively small percentage of indigents—so-called—who do not have the money to secure protection and who therefore must look to the state or federal government for help," he said. "If our federal government can guarantee every able-bodied person a job, I feel our companies can furnish the needed protection."

He declared that this is definitely not the time to consider the enactment of governmental plans, with some 12 million men away on battlefields all over the globe.

In connection with the G. I. bill of rights, which guarantees educational aid to service men and women, he referred to the accident and health course at Purdue University and proposed a second step—selling colleges and universities generally on the idea of establishing courses for career men and women, preference being given to those returning from service. If in this way the business could absorb about 50,000 career men and women, it would be of immense advantage to the public, as well as to the individuals directly concerned.

Minn. Auto Verdict for \$75,450

MINNEAPOLIS—A \$79,450 verdict here in favor of three plaintiffs is believed to be the largest award of damages ever assessed in Minnesota in a motor vehicle accident. The plaintiffs had sued for \$89,500. Mrs. Stella C. Loken was awarded \$10,000 for the death of her husband, driver of a truck; Frank Jacobs, relief driver, was given \$65,000 for permanent injuries. He had asked \$75,000. Harry Jaffa, owner of the truck, was allowed \$4,500 for damages to the vehicle. Defendant was the George T. Ryan Co., Minneapolis truck sales and service firm.

N. Y. "Comp" Board Bills

Governor Dewey of New York has asked the legislature to reorganize and rename the state industrial board in his proposed program of recodification and streamlining administration of the compensation law. The title would be changed to the workmen's compensation board and all functions concerning workmen's compensation, some of which are now under control of the labor department would be transferred to it under his recommendations.

Expanded A. & H. Service Answer to Social Security Challenge

BOSTON—Extension of government social security will be unnecessary if accident and health agents and companies acquaint the public with the value of providing social security through private sources, Commissioner Harrington of Massachusetts declared at the first New England sales congress sponsored by the Boston Accident & Health Association here. More than 250 producers attended.

People can secure that protection which best serves their needs according to their station in life and earning ability through private insurance, Mr. Harrington pointed out. Since it is easy to sell insurance in times of prosperity, Mr. Harrington cautioned against over-selling at the present time. "Well sold insurance is that which is geared to the normal earning capacity of the individual and his dependents," he observed. In carrying out this objective, the agent should keep in close contact with his policyholders so his insurance program can be adjusted to meet their changing economic status.

Clear Up Misunderstandings

In stressing the importance of explaining the contract clearly to prospective buyers, Mr. Harrington said the time so spent will be more than repaid when a claim arises. Most of the complaints received by the insurance department could have been avoided if the salesman had explained the provisions of the coverage. Furthermore, the policyholder is more receptive to an explanation when he is seeking insurance than at the time he is making a claim.

Recognizing that limited, low premium policies have a place in the insurance sales kit, Mr. Harrington pointed out that it is even more essential that the provisions of such a contract be explained clearly than in selling broader coverage. Unusually low loss ratios on limited contracts has created a feeling that either premiums are too high or the adjustment of claims is too technical. The National Association of Insurance Commissioners is studying the situation. "It is indeed a matter which should occupy the attention of those companies dealing in limited contracts. Reasonable profits should never be denied any business organization but excessive profits under the present day view of economy lead to increased demand for government operation of business," he observed.

Opinion Must Be True

In considering public relations, Peter E. Tumblety, vice-president Empire State Mutual Life, said that it is not only important to create a favorable public opinion but that the opinion must be true. Thus, the first step is honest self-examination and correction of evils that exist. "These will not be cured and public opinion will not be changed merely by our painting tender pictures in the newspapers and playing sweet music on the radio," he observed.

In applying this philosophy to the U. S. Supreme Court insurance is commerce decision, Mr. Tumblety said it is not enough to say that the charges brought by the government are permitted by law as the question is whether the practices measure up to the moral standards set by the public conscience. "The business of public relations, as it has been practiced, has been concerned too much with the adjustment of public opinion without considering by what conduct that opinion has been formed."

Agents Should Sell More

Under the competitive system every man tries to do a little better than every other man, Lester L. Burdick, Commercial Casualty, explained, emphasizing that the government cannot create competition. The public cares little for private enterprise unless it is apparent that it is the easier and cheaper way. "If we wish

to enjoy private enterprise, agents must do their part to make it operate more effectively than in the past," he declared. Agents have not done enough selling. They should double their efforts if they are to convince congressmen that they can furnish enough protection to cover loss of wages, hospital and medical expenses.

In a panel discussion, Boyd L. Cook, Columbian National Life, urged more cold canvassing, holding that is more interesting and productive than planned programs. Edward J. Hanrahan, Continental Casualty, took an opposite view, favoring preparation before presentation. He believes in knowing all about his prospect before talking to him. Gordon B. Winslow, John C. Paige & Co., Boston, outlined principles of salesmanship including methods of overcoming objections. Dwight H. Magovern, Monarch Life, told how he handles prospects.

Basic, Vital Business

The accident and sickness business was born of human instinct and social necessity, David W. Donley, supervisor of agencies of the accident and health department of Union Mutual Life, declared. "It is a 'natural' business. It is a basic, vital business. Privately managed, it has a glorious history. Its future will be as great as we who are in it make it."

Basically disability insurance is the most essential insurance written, because it protects the source of all material possessions. Its primary purpose is to conserve what one now has and to help him secure what he hopes to acquire in the future.

People buy what they want more often than what they need, Mr. Donley said. "Our business is to uncover need. The art of constructive selling is to get people to want the thing that we have discovered that they need. People buy things that insurance will do for them. They do not buy a policy because it's a policy."

"To insure the customer's satisfaction, the policy must be honestly sold. Price is not the controlling factor. If you

talk cost, you have only one argument, but if you talk needs, you have a dozen."

Rudolph C. Larson, field supervisor of Aetna Casualty, gave a very convincing demonstration of a sales presentation on accident insurance, preceded by a brief outline of what he regards as the necessary ingredients of such a presentation. He said that to be successful the agent must have in mind a clear outline of the sales presentation he is going to make—not a canned sales talk, but a planned sales talk.

An effective sales presentation, he said, must embody these fundamentals: (1) It must get the prospect's immediate and complete attention; (2) it must hold the attention of the buyer, hence it must have the element of suspense; (3) it must convincingly show the prospect the "why" of the proposition and not delay too long getting around to the "how."

"The conclusion must be the climax that summarizes all the advantages of your proposition and should convince Mr. Prospect that right now is the time to buy. An effective and tactful close helps the buyer to make the right decision."

D. C. Meeting on Legislation for Various Groups

WASHINGTON—A joint luncheon meeting has been arranged for Feb. 1 at the Statler hotel here of the Insurance Managers Association, Insurance Club of Washington, Insurers Association of the District of Columbia, and the D. C. Life Underwriters Association.

Ray Murphy, general counsel, Association of Casualty & Surety Executives, will report to the industry on the status of insurance legislation with relation to the anti-trust laws.

Howard M. Starling, Washington representative of the Association of Casualty & Surety Executives, arranged the affair, the first of its kind in which all local insurance organizations will participate.

Vermont Accident has increased its capital from \$20,000 to \$35,000 through issuance of \$15,000 of additional stock at \$100 per share.

Want direct-mail sales aids in accident and health? Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.



"OH-HIM? THE THEFT INSURANCE PEOPLE DECIDED TO PLACE HIM NEAR MY TROUSERS."

Cal. Wins Suit Springing from S.E.U.A. Case

LOS ANGELES — Federal Judge O'Connor has handed down an order of dismissal in the case of First National Benefit Society of Phoenix, Ariz., vs. Maynard Garrison, California insurance commissioner, and grants the defendant costs.

The opinion, which is an exceedingly lengthy one, says that the California statutes are not in any way vitiated by the decision of the U. S. Supreme Court in the Southeastern Underwriters case and are still in full force and effect for the purposes of this suit. It also says that this is in fact a suit against the state of California without its consent and is in violation of the 11th amendment to the constitution, no consent having been given thereto.

"Laws passed by the states and in exertion of their police powers, not in conflict with the laws of the national congress upon the same subject, and indirectly and re-affecting interstate commerce are nevertheless valid laws," the decision states.

"There can be no question but that the state has the right under its police power to interfere with interstate commerce."

In reference to the 14th amendment, the court says:

"It is well settled that the police power may be exercised by the state, under certain limitation, of course, notwithstanding the 14th amendment."

"State laws regulating insurance companies, both foreign and domestic, have uniformly been upheld as a proper exercise of the police power of the state."

The court then says that defendant commissioner asks dismissal under the provisions of the 11th amendment, and in discussing this holds that a "suit against a state officer executing an unconstitutional statute is not a suit against the state." He then points out that the present action does not attack the constitutionality of any statute.

First National Benefit asked for an injunction to restrain the commissioner from interfering with its business, and asking for \$1,200,000 damages from the commissioner and seven other defendants. It is not licensed in California, but the petition states representatives have entered that state to interview persons that responded to solicitation by mail.

ANSWER MADE IN N. Y. CASE

Superintendent Dineen of New York has now filed an answer in the case brought by American Farmers of Phoenix, Ariz., to permit it to operate unlicensed in New York. American Farmers and one of its membership representatives in New York contend that the laws requiring licensing of agents and companies are unconstitutional as an undue burden on interstate commerce.

Mr. Dineen in his reply declares that the licensing provisions are not unconstitutional but come under valid exercise of the police power.

With permission of American Farmers, the New York department is making an examination of the company without charge to the company, and it may make an amendment to its answer on the basis of information developed in the examination.

DINEEN DEPUTY ON COAST

LOS ANGELES—J. Sackman, of the New York department, is in Los Angeles gathering data on the case and on the activities of American Farmers.

Mr. Sackman goes from here to Phoenix to check up the records of the Arizona department on American Farmers.

"Planned Salesmanship," by Cousins, the book for accident and health men, \$3.00 from National Underwriter.

Wid
Pre

W
gress
the V
Heal
ciati
boost
year
of A
Spe
know
stopp
Omal
ciati
accid
the s
well
sessi
busin

Grego

Pre
open
iness
on "T
Insur
Mr. G
table,
Lun
Great
City,
Afte
lips, a
able S
When
Emers
Dallas
lace,
serve,
tor of
Rob
tional,
Men's,
Wichit
gram
tically
due to

Avia
Big I

Darr
dent o
ized av
third l
dously
insuran
Philade
Health
pitaliza
tainly t
in the
ond, g
has pr
miums
become
relation
Aviat
phase, i
great p
said. F
as to t
the war
ation a
the pres
He stre
ducer's
quired
manual
lations,
is surpr

West
Men c

CHAI
ing and
ing acci
a one-da
ter-Ocea
strict sup
speakers
ness sess
a dinner
M. Gree
awarded
W. Va. 1

ACCIDENT AND HEALTH

Wichita Sales Congress Presents Notable Speakers

WICHITA—The one-day sales congress in Wichita, sponsored jointly by the Wichita Association of Accident & Health Underwriters and Wichita Association of Insurance Agents, was a big boost to Wichita's bid for the 1946 mid-year meeting of the National Association of Accident & Health Underwriters.

Speakers included five nationally known accident and health men, who stopped off in Wichita en route to the Omaha meeting of the National association. The attendance included many accident and health producers from over the state and local non-members, as well as the two Wichita groups, as the sessions were open to all those in the business.

Gregory Leads Off

President Levi B. Rymph, Aetna Life, opened the session. E. F. Gregory, Business Men's Assurance, Denver, spoke on "The Place of Accident and Health Insurance in the Protective Picture." Mr. Gregory also participated in a round table, with Emerson Davis.

Luncheon speaker was R. B. Smith, Great Northern Life, Oklahoma City, on "This Business of Ours."

Afternoon speakers included John Phillips, assistant group supervisor Equitable Society, Kansas City, Mo., on "The When and How of Group Insurance"; Emerson Davis, Inter-Ocean Casualty, Dallas, "The Close," and Travis T. Wallace, president Great American Reserve, Dallas, "The Common Denominator of Success."

Robert F. Coffman, Columbian National, and Bert A. Hedges, Business Men's, both past presidents of the Wichita association, served as the program committee. The congress is practically certain to become an annual affair due to its initial outstanding success.

Aviation Accident Third Big Development: Smith

Darrell O. Smith, assistant vice-president of American Casualty, characterized aviation accident insurance as the third big development in the tremendously accelerated growth of disability insurance since 1939, in addressing the Philadelphia Association of Accident & Health Underwriters. First was hospitalization, which he described as "certainly the great bell ringer of all times in the insurance business," and the second, group disability insurance, which has produced many millions of premiums in the past few years and has become a recognized part of employee relations plans.

Aviation accident insurance, the third phase, is just getting started but offers great present and future possibilities, he said. He cited a number of predictions as to the development of aviation after the war but stressed the fact that aviation accident insurance is a thing of the present and not only of the future. He stressed its simplicity from the producer's viewpoint, noting that it required no rate book, no classification manual and no book of rules and regulations. Moreover, he added, the cost is surprisingly low.

West Virginia District Men of Inter-Ocean Meet

CHARLESTON, W. VA.—Prospecting and all phases of selling and servicing accident and health were treated at a one-day district sales meeting of Inter-Ocean Casualty here. The six district superintendents of the state were speakers. Following the day-long business session and round table discussions, a dinner was given at which the George M. Green, man-of-the-year trophy was awarded to Harry Walker of Welch, W. Va. The trophy is awarded on a point

at the dinner in the evening as did J. W. Scherr, Jr., assistant secretary.

Lt. Pell Miller, Charleston, home on leave from the navy after months of service in the South Pacific, talked at the dinner. Lt. Miller was aboard the aircraft carrier Lexington when it sank.

Earlier in January the Inter-Ocean agents of Pittsburgh gathered at a dinner there where the man-of-the-year plaque for the Pittsburgh district was awarded to Sam Marcus. The plaque in that district is awarded in honor of A. C. Feagan, supervisor of the three districts in Pittsburgh, comprising 18 debits. The staffs of these debits including managers, superintendents and

office employees, a total of 24 persons, have a record of 284 years of service with the company. J. W. Scherr, Jr., and H. L. Bice, Cleveland, leading producer for Inter-Ocean, spoke.

Tax Deduction Record Provides Good Approach

An effective method of selling disability coverage is to hand a prospect a copy of the new "1945 Income Tax Deduction Record" and to explain the possibilities for deducting excess medical expenses. Although such expenses must exceed 5% of net income to be deduc-

When you represent the



... you have at your command
the unexcelled facilities of
an organization which has
had 55 years of concentrated
experience in the writing of
Fidelity and Surety Bonds
and other related coverages.

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

Founded 1890 — Baltimore, Md.

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

tible, the agent explains that it is a good idea to keep a record of the routine medical bills all during the year so that if the prospect does have a serious illness later in the year, which puts him over the 5% mark, he will have a complete record on hand. Such an approach gets the prospect thinking about the possibilities of a serious disability so that there is an obvious opening for selling him an insurance policy to cover such a contingency. Samples and prices on the income tax deduction record can be secured from The National Underwriter, 175 West Jackson boulevard, Chicago 4, Ill.

Globe Casualty Buys Home Office

Globe Casualty of Columbus, O., has purchased a new home office building at 659 East Broad street, Columbus, which after some remodeling will be occupied by the company about March 20.

Globe Casualty reports a 23% increase in premium income in 1944. C. A. Sholl, head of the company, is president of the National Association of Accident & Health Underwriters.

Adopt New Utah Constitution

At the January meeting of the Utah Accident & Health Club in Salt Lake City, a new constitution and by-laws, approved by the National association was adopted. All past presidents were made members of the executive committee.

R. K. Grantier, Paul Revere Life, was named the club's representative on the safety and health committee of the National association and Max Rasmussen, Occidental Life of California, on the committee on cooperation with the National Association of Life Underwriters.

Plans for a radio program dramatizing the needs and benefits of accident and health insurance for all classes of people were outlined by Olive Milner, National Casualty, and it is expected that such a program will be on the air very shortly.

Conference Meeting Canceled

Complying with the request of the Office of War Mobilization that conventions be canceled after Feb. 1, the Health & Accident Underwriters Conference has canceled its mid-winter meeting announced to be held at the Drake Hotel, Chicago, Feb. 5-6.

An executive committee meeting will be held Feb. 5, at which certain committee chairmen will present reports originally intended to be given at the mid-winter meeting.

Hear Banker in San Antonio

The San Antonio Accident & Health Underwriters Association heard J. O. McAskill, executive vice-president of the Alamo National Bank, speak on the problems of insurance companies and the mental alertness and agility required for success in selling insurance. He declared that bankers and insurance men are in kindred lines which involve the economic welfare of their clients.

Evans Agency Supervisor

Joe R. Evans, who has been with Peoples Accident of Lincoln for the past four years, was appointed agency-supervisor at the annual meeting.

Walter St. John, formerly with Equitable of Iowa in Des Moines, has been elected president of Iowa State Traveling Men's. Currie C. Chase continues as secretary-treasurer.

Consider Requiring Insurance

OMAHA—The Douglas county board of commissioners is studying a proposal which would make automobile liability insurance mandatory before a motorist could obtain an automobile license in the county. The board did not go on record as favoring introduction of such a measure in the legislature, but has it under consideration.

WORKMEN'S COMPENSATION

Texas Manufacturers Leave Central Committee in Protest Over Charges

DALLAS—The Texas Manufacturers Association, with headquarters in San Antonio, has advised the central committee of employers associations in regard to workmen's compensation that the manufacturers group is no longer connected or associated with the central committee's program or activities. This action was taken by the manufacturers' executive committee after A. J. Branscom of the central committee had sent out a letter claiming that every other member of the Texas legislature is in the pay of the insurance companies.

The executive committee of the central committee, meeting here requested E. J. Price, Dallas, special representative of the Texas Manufacturers Association to leave the meeting. Mr. Price was soon followed by representatives of the insurance press. Mr. Branscom, who is executive vice-president of the central committee was quoted in the Dallas "News" as saying: "disparity in rates has resulted in an overcharge by insurance companies of between \$4,000,000 and \$5,000,000 to purchasers of workmen's compensation insurance. It was never supposed by the central committee that this disparity in rates could be eliminated without trouble with the insurance companies. This situation has been approximately the same since about 1936 and the insurance companies and the insurance commission knew that. Of course, they are not going to reduce our rates so as to eliminate \$4,000,000 to \$5,000,000 overcharge without a fight."

Until this rupture in relationship the manufacturers group appeared to be the chief backer of Branscom and his committee in the fight against the workmen's compensation insurance carriers and the Texas board of insurance commissioners.

Seek to Check Self-Insurer Comp. Payment Failures

ST. PAUL—To curb shortcomings of the self-insurance provision of the compensation insurance act, a measure has been introduced in the Minnesota house, holding an employer who does not pay an employee full benefits under the law guilty of culpable negligence and subject to a penalty of one year in jail or a fine of \$1,000 or both. Another bill provides for the sale of securities posted with the state treasurer by a self-insurer, if the latter fails to meet his compensation obligations.

A third measure provides that widows and children under 18 who are drawing the statutory \$7,500 death benefits would be entitled to be paid on the basis of sums not to exceed \$15 weekly until \$10,000 maximum is paid, or until the children have reached the age of 18. An allowance of \$250 burial benefits instead of the present \$150 with no deductions for other burial benefits in fraternal or burial associations, is also sought.

Texas Employers Granted Injunction in Rule Suit

AUSTIN, TEX.—The district court here has granted a temporary injunction to Texas Employers against the enforcement of an order of the Texas board of insurance commissioners requiring compensation insurance carriers to submit plans of operation to the board for approval. Attorneys for the board said the case will be appealed.

While some consider this a test case, Homer Mitchell, board chairman of Texas Employers, said his company is in a class by itself, having been set up by the Texas legislature in connection with the workmen's compensation insurance laws, and that the association's functions, rights and privileges are set

forth in the statutes and apply only to his company. Mr. Mitchell said his company is not a participating carrier and that policyholders, as such, do not receive any dividends or returns on the premiums paid, but that since the policyholders in the Texas Employers are automatically members of the association, by statute, they do receive a share of the earnings of the association.

A second suit, seeking an injunction against the board's ruling scheduled to take effect Feb. 1, has been brought by Texas Indemnity and is set for a hearing this week.

Barnes Fla. Acting Director

The Florida industrial commission has named Raymond E. Barnes of Mariana acting director of workmen's compensation to succeed Allen Clements.

Favors Responsibility Bill

ST. PAUL—The Automobile Club of St. Paul at its annual meeting went on record in favor of a drivers' financial responsibility act similar to that in New York.

CHANGES

American Casualty Group Opens Boston Office

American Casualty and American Aviation & General have opened offices in the 60 Congress Street building, Boston, to serve agents and brokers in Massachusetts, Connecticut, Rhode Island, Maine, New Hampshire and Vermont.

A. H. Quigg has been named resident manager of both companies.

American Casualty recently entered Massachusetts. American Aviation & General is now licensed in three of the New England states and is in the process of entering the remain-



A. H. Quigg

Rendering a CLAIM SERVICE that reflects credit upon its Agents

★
FULL COVERAGE AUTOMOBILE
SPECIAL AUTOMOBILE ACCIDENT
FIDELITY & SURETY BONDS
PLATE GLASS—LIABILITY
COMPENSATION
BURGLARY

Capital
\$1,200,000.00

Surplus
\$3,000,000.00

Assets
\$13,230,148.23

Offices in:
Baltimore
Chicago
Cincinnati
Cleveland
Columbus
Dallas
Denver
Des Moines
Detroit
Grand Rapids
Harrisburg
Indianapolis



Los Angeles
Louisville
Milwaukee
Minneapolis
Newark
Oklahoma City
Peoria
Philadelphia
Pittsburgh
Portland
San Francisco
Seattle
Topeka

ing states. Casualty, surety, fire, inland marine and aviation insurance business will be transacted.

Mr. Quigg is a graduate of Syracuse University. He started in insurance at the home office of Hartford Accident in 1924 and after 12 years of home office experience served as bonding manager of several branch offices in the midwest, including Standard Accident and Massachusetts Bonding at Chicago, and more recently as superintendent of the bonding department of Century Indemnity's Boston office. Mr. Quigg has also had experience in the production and underwriting of all forms of casualty insurance.

The newly established department will provide complete underwriting, claim, inspection and audit facilities.

L. G. Stewart New Chicago Manager for Emmco

Emmco and Emmco Casualty of South Bend have appointed Lowell G. Stewart as manager of their Chicago office. He succeeds Fred R. Mueller, who joins Emmco's Detroit organization to handle the underwriting of fire business.



L. G. STEWART

Mr. Stewart is well known among agents and brokers in the Chicago area. He has been for the last 12 years with W. W. Vincent & Co., Aetna Casualty general agency in Chicago, in an executive capacity. He started with Ocean Accident's office in Chicago as an underwriter then in two years went with Associated Agencies, as underwriter, where he remained two years before going with Vincent.

Emmco intends to enlarge its branch in the Insurance Exchange building, Chicago.

Prange Emmco's Burglary, Surety, Fidelity Head

Emmco Casualty expanded its operations in the general liability field to include fidelity, surety and burglary risks.

Frank F. Prange is manager of the new department. He has been branch manager in Indiana for National Surety since 1935, and has also been manager of National Surety Marine.

Emmco plans to write the new lines first in Indiana, Michigan and Ohio.

Anchor Casualty Opens Tri-State Office at K. C.

Anchor Casualty has opened a service office in the Sharp building, Kansas City, to handle business in Iowa, Nebraska and Missouri. It is under the supervision of State Agents R. L. Bernard and L. A. Bitters, both of whom are experienced insurance men. Mr. Bernard was educated at the University of Nebraska and Mr. Bitters is a graduate of the University of Minnesota. They have both traveled in Iowa and Nebraska for Anchor Casualty.

James A. Purdy Advanced

James A. Purdy, director of safety engineering of Michigan Mutual Liability, has been advanced to vice-president in charge of engineering and industrial hygiene. He has been associated with Michigan Mutual since 1921.

U.S.F. & G. Claim Changes at N. Y.

John J. O'Connor has been appointed general superintendent of claims for

U. S. F. & G. at New York. He has been with U.S.F.&G. since 1924 and lately has been assistant general superintendent of claims in New York.

Oren Hedberg becomes assistant superintendent of claims. He started in 1924 with Union Indemnity, subsequently saw service with Chubb & Son, London Guarantee and Aetna Casualty and since 1935 has been with U.S.F.&G. at New York as superintendent of liability claims. He is a past president of the New York Claim Association.

Alfred J. LePore has been appointed superintendent of liability claims. Ed-

ward J. McLoughlin has retired from active service.

Black Joyce & Co. Director

Anton A. Black, who has been with Joyce & Co. of Chicago 29 years and for the past 15 years has been manager of its surety bond department, has been elected a director of the firm.

Riddell to Omaha Agency

Forrest R. Riddell, district supervisor of U. S. F. & G., in Des Moines, will resign March 1 to join the Wheeler,

Welpton & Alexander agency in Omaha. He will become a member of the firm and handle all lines for the agency.

Mr. Riddell was with U. S. F. & G. almost 20 years, working out of the Des Moines office. He also was with Union Indemnity for several years. He has been serving as president of the Des Moines Casualty & Surety Club.

Kalbakopf in New Venture

MADISON—Wisconsin State Managers, Inc., of Madison, has filed articles of incorporation with the secretary of state here. Capital stock consists of 600

January, 1945...

Time for Plans!

JANUARY, 1945, is of all months, of all years, the time for new Insurance Plans.

Most insurable values are up. Suits for accident damages are mounting. These are claim-minded days. Many concerns have sizable reserves for possible renegotiation of Government contracts, cash for reconversion. These reserves may be subject to embezzlement. Many persons in trusted positions are not bonded or are bonded in insufficient amounts. The F.B.I. advises that forgeries are on the increase. . . .

Have you had a thorough insurance check-up lately? If not, January, 1945, is an ideal time to call in your Agent or Broker for that purpose. We stand ready to co-operate with him at no cost to you.

FIDELITY • SURETY • CASUALTY

Dependable
AMERICAN SURETY COMPANY
100 BROADWAY • NEW YORK

As America
NEW YORK CASUALTY COMPANY
AGENTS AND BROKERS EVERYWHERE

A "must" for every A. & H. man's library—"Planned Salesmanship," by Cousins. \$3.00 from National Underwriter.

One of a series of advertisements reaching your prospects in Business, General and Banking publications.

shares at \$100 par value each, and the purpose is stated as "to manage insurance companies." Among the incorporators are R. J. Kalbskopf, who resigned last November as treasurer of both Farmers Mutual Auto and State Farm Mutual of Madison, and E. A. Seehafer, former assistant secretary of State Farm Mutual.

New Stock Market Fever Spells Dishonesty Losses

The fact that race track money seems to be going into the stock market to a considerable extent following the shutdown of tracks in this country is looked upon with some foreboding by fidelity insurers. During the years after the stock market crash of 1929, there was a decided falling off in the number of employees dipping into the till to speculate in the stock market. The general public lost interest in the market. The stock market fever had almost completely subsided. There were then, however, an increase in the number who had used employers' money to improve the racing breed. The fact that an appetite for stock market speculation has now been aroused again means inevitably that there are employees that are staking themselves to a whirl in the market with funds that don't be-

long to them. Stock market gambling, of course, is likely to get the speculator into deeper water than is horse race betting.

Asks Bond Cancellation Provision

SAN FRANCISCO—A provision for cancelling the \$50,000 bond required of attorneys of reciprocals is being sponsored by Insurance Commissioner Garrison. The surety may cancel the bond and be relieved of further liability on 30 days' written notice to the principal and to the commissioner. Cancellation of such bond shall not affect any liability incurred or accrued thereunder prior to the termination of said 30 day period.

St. Louis Surety Men Elect

ST. LOUIS—Howard A. Blair, manager of Aetna Casualty, was elected president of the Surety Underwriters Association of St. Louis at its annual meeting. The toastmaster at the banquet was Capt. Frank O. Watts, Jr., army air corps, who at the completion of his terminal leave plans to resume his duties as vice-president of Ploeser, Watts & Co.

Vice president is George R. Scheen, Fidelity & Deposit, and secretary-treasurer, C. J. Crockett, Maryland Casualty.

NEWS OF THE CASUALTY COMPANIES

F. & D. Annual Statement Figures

Fidelity & Deposit in its new annual statement reports assets of \$33,631,020. Bonds are carried at par or market values if lower and stocks are carried at market values except the stock of American Bonding which is carried at substantially less than liquidating value. Surplus on the insurance commission basis is \$14,339,679 compared with \$13,152,273 at Dec. 31, 1943. However, on the basis preferred by the company surplus is \$11,489,506, an increase of \$835,738 for the year.

Net premiums written amounted to \$10,960,366, an increase of \$420,192.

Net income was reported at \$1,555,738 or \$12.96 a share as compared with \$12.62 a share the previous year.

Federal and other taxes amounted to \$1,693,553 or \$14.11 a share. The reserve for fluctuation and market value of securities was increased by \$312,827 and stands at \$1,762,827.

Gross losses incurred were \$2,806,947 and President Frank A. Bach warned that higher loss ratios may soon be expected since bonded employees are handling more money than ever before and employers lack time and facilities to supervise adequately the activities of their personnel. Also outside auditing facilities are not as readily available as in the past and many defalcations now being committed probably will not be discovered until times become more normal.

The contingency reserve now amounts to \$1,350,000 or an increase of \$825,000.

Continental Cas. Premiums Up 21%

Net premium writings of Continental Casualty totaled \$38,307,620 in 1944, President Roy Tuchbreiter announces. This was an increase of \$6,631,851, or nearly 21% over 1943 volume. Both the amount of increase in business for the year and the total volume of premiums written were the highest in history. Half of the increase was in accident and health business, in which the company has been stressing agency and production development.

St. Paul-Mercury Shows Asset, Surplus, Premium Gain

St. Paul-Mercury Indemnity in its annual statement reports excellent gains all along the line. Assets at market value totaled \$22,502,500, increase \$2,374,212; premium reserve \$5,381,850, increase \$626,838; loss reserve \$5,750,780; capital \$3 million, net surplus \$6,421,856, increase \$557,236. There was an underwriting profit of \$1,097,311.

Assets and Surplus of F. & C. Are Sharply Higher

Assets of Fidelity & Casualty at the year end stood at \$75,465,359 compared with \$68,412,594 the previous year. Capital is \$2,250,000 and net surplus \$23,650,139 compared with \$19,734,916. At market value assets would be \$77,386,713 and surplus \$25,571,493.

Auto-Owners in Minnesota

Auto-Owners of Lansing, Mich., has been licensed in Minnesota and will make an aggressive bid for business in that state. It now has an active organization in Michigan, Ohio, Illinois and Indiana and is authorized in Missouri but has not developed that state. Town & Country Agency of St. Paul will head the Minnesota organization.

Operating this agency are Charles T. Auch and Byron Olsen, formerly with American Farmers of Lake Elmo, Minn.

Commercial Travelers Mut. Acl.—Assets, \$6,654,765; inc., \$669,245; unearned prem., \$980,204; loss res., \$1,313,191; surplus, \$3,707,372; inc., \$329,211. Experience:

	Premiums	Losses
Accident & health	\$3,784,301	\$2,136,939

Farmers Mut. Auto, Wls.—Assets, \$2,903,011; inc., \$539,115; unearned prem., \$675,120; loss res., \$201,190; liab. res., \$886,755; surplus, \$1,080,435; inc., \$69,486. Experience:

	Premiums	Losses
Auto liability	\$1,099,429	\$289,586
Other liability	141	7,176
Burglary and theft	31,466	169,935
Auto prop. damage	423,243	194,367
Auto collision	318,074	73,723
Other auto	245,518	
Total	\$2,117,871	\$734,787

Min. Farmers Mut. Cas.—Assets, \$459,932; inc., \$51,246; unearned prem., \$34,761; loss res., \$15,546; liab. res., \$70,250; surplus, \$270,237; inc., \$30,351. Experience:

	Premiums	Losses
Auto fire & theft	\$42,523	\$15,372
Medical aid	1,389	35
Auto liability	59,517	11,782
Auto prop. damage	28,349	8,913
Auto collision	50,579	30,094
Total	\$182,357	\$66,196

ASSOCIATIONS

Clearman Named President of Des Moines Club

DES MOINES—Ray W. Clearman, assistant manager of American Surety, has been elevated to president of the Des Moines Casualty & Surety Club, succeeding Forrest R. Riddell, U. S. F. & G., who resigned to enter agency work in Omaha, Neb. Mr. Clearman has been first vice-president of the club.

Clair Ibsen, Aetna Casualty, was moved up from second vice-president to first vice-president and a new second vice-president will be named later.

John Adams, secretary of the Des Moines Chamber of Commerce, discussed postwar planning.

Syracuse, N. Y., Club Elects

The Casualty & Surety Club of Syracuse, N. Y., has elected the following officers: President, Dwight C. Brainard, Employers Liability; vice-presidents, William A. Boysen, American Surety, and James W. Kellogg, Jr., U. S. F. & G.; secretary, John O. Gilbert, London & Lancashire Indemnity, and treasurer, Arthur Perrin, Maryland Casualty.

Jones Heads Detroit Adjusters

DETROIT—W. J. Jones of Doelle, Starkey & Jones, insurance attorneys, was elected president of the Detroit Adjusters Association at the annual meeting, succeeding William Smith, Lumbermen's Mutual. R. B. Lacey of Kerr, Lacey & Scroggie is secretary-treasurer and W. G. Morrissey, Lumbermen's Mutual, vice-president.

R. K. Holden spoke on behalf of the National Foundation for Infantile Paralysis.

Washington Association Elects

SEATTLE—New officers elected by the Casualty Insurance Association of Washington for 1945 are: Charles H. Nealey, Hansen & Rowland, Inc., president; K. R. Warrack, American Surety, vice-president, and B. K. Campbell, National Bureau of Casualty & Surety Underwriters, reelected secretary-treasurer.

Write more A. & H. premiums with the "Photograph," only \$3.00. The A. & H. Bulletin, 420 E. 4th St., Cincinnati 2, Ohio.

LOOK TO THE SKIES for post-war business

★ HULL

★ LIABILITY

★ ACCIDENT

★ AIRPORT & AIRMEET

★ HANGAR KEEPER

"American's" Broad New AVIATION POLICIES Point the Way

Millions of people are flying today as pilots or passengers in airliners and private airplanes. Build your Aviation business with the following exclusive features of "American's" complete Aviation insurance program.

1. Medical payments coverage for pilot, passenger, and crew.
2. Open pilot form.
3. Completely selective coverages.
4. Temporary use of substitute aircraft.
5. Automatic insurance for newly acquired aircraft.
6. Broad territorial coverage.

7. Minimum of exclusions.
8. Comprehensive coverages.
9. Unusually broad coverage.
10. Reasonable Rates.

Learn all about Aviation insurance by writing Fred N. Davey, Vice Pres., for complete details about our easy-to-understand Aviation program.



AMERICAN CASUALTY COMPANY
AMERICAN AVIATION & GENERAL INSURANCE COMPANY
READING • PENNSYLVANIA

CAPITAL \$1,500,000 • ALL FORMS OF CASUALTY, SURETY, FIRE AND AVIATION INSURANCE

National A. & H. Group Holds Annual Convention

(CONTINUED FROM PAGE 17)

Miss Margaret E. Olson, North American Life & Casualty, Minneapolis, chairman of the women's division, speaking on "Women in Our Business Today," congratulated the women in attendance for what they have accomplished and expressed the belief that when they return to their desks following the convention they will set new records in the production of business.

Strong Association Needed

Emerson Davis, Inter-Ocean Casualty, Dallas, chairman of the membership committee, stressed the legislative situation as the chief reason why a strong association with a larger membership is needed. He reviewed the legislative proposals now pending or likely to be advanced in considerable detail and the disadvantages of governmental operation for the policyholder as well as the men in the business.

He said the objective of the membership committee is to increase the number of local associations affiliated with the national by 50% and to increase the total membership of the national by the same percentage. He declared that a strong local association is needed in the capital of every state and in every city of over 100,000. He reported that new locals have been or soon will be formed at Fargo, N. D., Duluth, Tulsa, Jackson, Miss., Birmingham, Memphis, Nashville, Louisville, Fort Worth and Waco, Tex. He expressed the belief that the activities of the new women's division, headed by Miss Margaret Olson, will result in a substantial increase in membership.

C. Norman Green, Hoosier Casualty, Indianapolis, chairman of the public relations committee, reviewed the work of that committee and its plans for future activities and Dr. C. M. Wilhelmj of Creighton University, Omaha, spoke on the Wagner-Murray-Dingell bill.

There were four group luncheons Wednesday and a stag dinner at the Elks Club that evening, followed by meetings of the Leading Producers Round Table and the women's division.

Army Transport Command Insurance Parley Thursday

WASHINGTON — Many questions from insurance companies and underwriters were submitted through the U. S. Chamber of Commerce insurance department to the war department for consideration and reply at the joint conference scheduled here between insurance and army representatives for Thursday on problems of coverage and underwriting of army transport command air-borne traffic, passenger and freight, world-wide. Much of the discussion and the material developed was expected to be of a restricted or confidential character for security reasons.

Among the insurance companies and groups and their representatives listed to attend were:

James E. Hoskins, Travelers, American Life Convention aviation committee; Lester Beck, Wyckoff Wilson, Travelers; Wesley T. Hammer, Associated Aviation Underwriters; Reed Chambers, U. S. Aviation Underwriters; H. W. Melville, American; W. S. Chandler, Phoenix of

Hartford; Chase Smith, Lumbermen's Mutual Casualty; Ben Rush, Jr., Indemnity of North America; Francis Wiloughby, Utica Mutual; Lawrence D. Soper, Connecticut General; James L. Madden, Metropolitan Life; G. P. Crisp, American Mutual Liability; Jerome Lederer, Aero Insurance Underwriters; R. H. Dieben, Cosgrove & Co.; R. W. Garrett, Marsh & McLennan; Julian P. Mayer, Robert C. Lee, Robert W. Pope, Employers Liability; Gerald Smith, American Casualty; G. Shannon Girrer, Stewart Smith, Ltd.; T. Lynch, Marine Office of America; F. P. Todd and William E. Creery, Provident Mutual Life;

also Acacia Mutual Life. Army representatives are Col. Reese Hill and Lt. Col. Plumley, War Department insurance division, and Col. Brownell.

Hilton Tells W. C. Proposals

WASHINGTON — Discussing workmen's compensation problems before the recent meeting here of the National Association of Commercial Organization Secretaries, H. E. Hilton, U. S. Chamber of Commerce insurance department, urged better cooperation between the secretaries throughout the country and insurance companies in the interest of

improved public relations.

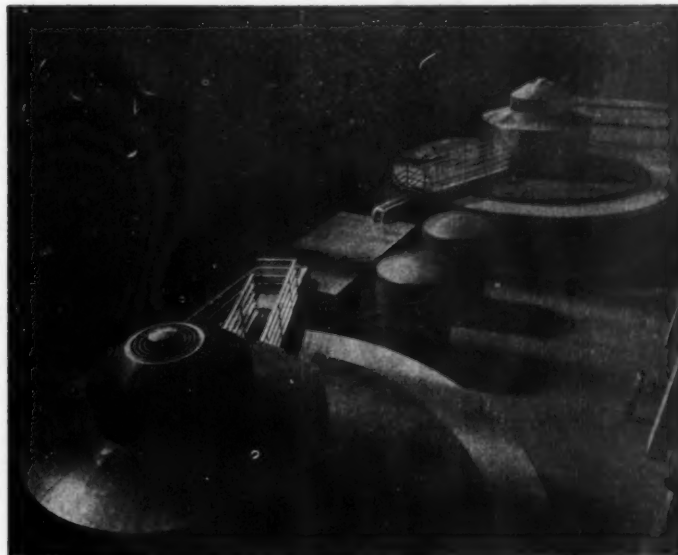
Mr. Hilton outlined some of the workmen's compensation legislative proposals scheduled for consideration by state legislatures this year.

Johnson Acting Actuary

R. A. Johnson, assistant actuary, has been advanced to acting actuary by the New York Compensation Insurance Rating Board, succeeding James M. Cahill, who is now with the National Bureau of Casualty & Surety Underwriters. He has been in the board's actuarial department since 1935.

The Home of HUMAN SECURITY

Like Power Plants - - -



... Insurance Companies may be measured by their "K W H"

Provident's "K W H" rating is based upon the "Know" generated by 59 years' experience field-testing protection plans to determine the

"Why" and the "How"

More than 500,000 benefit, and over 2,000 Provident Agents.

PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY

Chattanooga, Tennessee

Our
58th
Year

Our
58th
Year

WANTED:
AUTO UNDERWRITER —
EXPERIENCED

U. S. F. & G.—CHICAGO BRANCH
Call or Write Mr. Lane Wabash 6420

Life : Accident : Sickness : Group : Hospital

R.F.C., Maryland Casualty Vindicated

(CONTINUED FROM PAGE 17)

accumulated to the extent of more than \$3 million.

In 1942 RFC concluded that Maryland could not reestablish itself and retain its licenses in some of the states unless there was a material increase in capital and surplus. RFC decided that it was to its own interest as well as that of other creditors and stockholders to strengthen the position of Maryland so that it would be possible for that company to earn enough money to retire the RFC loans. The decision was to make \$12½ million additional money available at 3% instead of 3½% interest and from that sum the \$3 million deferred dividends were to be paid. That required further amendment of charter which could be accomplished only by a two-thirds vote of each class of stock-

holders. Since ownership of the common stock was widely scattered it was doubtful that two-thirds of the votes of common stockholders could be obtained and hence RFC exercised its right to convert some of the class A preferred into common stock. At the stockholders meeting Sept. 9, 1942, there were voted in favor of the amendment 1,474,430 shares of common stock into which some of the preferred stock had been converted and 443,567 shares of publicly held common. There were 47,839 votes in opposition.

Williams asked the court to hold that the 1942 refinancing was unnecessary, that the plan was unfair, inequitable and illegal and amounted to a breach of the fiduciary duty of RFC to Maryland and its common stockholders; that

the conversion by RFC of some of its preferred shares into common stock was unauthorized, illegal and void; that RFC was without statutory power to hold the common stock of Maryland as security for the loan; that the common stockholders were deprived of their prescriptive rights and that the conversion ratio prescribed by the charter amendment was unfair, that the voting power of 100 votes per share given to the preferred stock in 1942 is contrary to Maryland law and that the restriction on the redemption of the preferred stock is unfair. He asked that Maryland be required to repay to RFC \$12½ million.

As to whether the decision of RFC that the protection of its loans and rehabilitation of Maryland required additional capital was a fair one, Judge Igoe concluded that it was clear that on the most favorable estimates Maryland would be in default on the principal of the loan when it fell due. Liquidation of the loans would have resulted in the loss of from \$8 to \$10 million. Maryland's ratio of surplus to net written premiums at the end of 1941 was far below that of its principal competitors. Insurance departments in some of the states were critical. RFC could have liquidated its claim when it matured and taken its loss. In that case there would have been little if any for the old common stockholders. RFC believed that if it permitted Maryland to continue in business it was its duty as a government agency to increase the margin of safety for policyholders and to make possible the development of Maryland's business to a point where there would be no loss on the government loans.

Obligations to Government

If the hope of increased earnings were not realized the position of RFC and of Maryland's common stockholders would be no worse than if RFC had decided upon liquidation. RFC was unwilling to continue the relation which it sustained to Maryland unless greater protection for Maryland policyholders was provided. RFC would have failed in the performance of its duty if it were to close the transaction in such a way that there would certainly be a loss of public funds. Judge Igoe remarked that much was said about RFC fiduciary relations to the common stockholders. However, he said the obligations of RFC to the government must not be overlooked and to the public whose business was being solicited by an insurance company over whose affairs RFC had the power of complete control. It was never intended by Congress that public funds should be turned over to the unrestricted control of those whose prior acts of administration had brought disaster to their company. There is no intimation that the decision reached by RFC was either fraudulent or grossly negligent. The decision was honestly made after painstaking examination of all relevant facts. There was no real conflict between the interests of Maryland's shareholders and the acts of RFC in the performance of its duty to the government and the public.

As to the contention of Williams that it was illegal for RFC to hold common stock as security for a loan, Judge Igoe stated that the limitation on the power of RFC in this connection is with respect to the making of the loan. There is no limitation on the disposition of the preferred stock after the loan is made. Congress intended that RFC should have the broad powers of a private corporation in handling the business growing out of the loans which it made. It would be an unwarranted limitation of the power of RFC to hold that if the preferred stock contained a provision which gave the right to convert it into stock of another kind, RFC could not exercise that right.

Very Small Equity

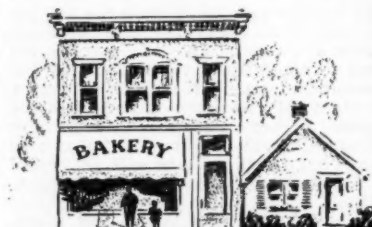
The circumstances which led to the 1942 increase in the loans do not warrant a finding that the continuance of the terms of the new preferred stock was inequitable or unfair. They would not sustain a decree by which the 1942

WHETHER IT IS A



DEPARTMENT STORE

or a



BAKERY

Call

Peterson's Survey Service for valuable information which will enable you to keep loss ratios at a minimum and to increase underwriting profits. We have glass replacement data on more than 20,000 risks.

SPEED
DEPENDABILITY
PERFORMANCE

in plate glass replacements.



PETERSON GLASS CO.
2833 JOHN R ST.
DETROIT



UNEQUALLED, ALL-COVERAGE

PROTECTION

yet it doesn't cost one penny!

Suppose you had a policy like this to sell — protection for everything you hold dear — your family, home, business, your very way of life.

Protection backed by a company that's been growing and doing business honorably for over a century and a half—a company whose assets total not millions but billions. Premium payments? There aren't any. This all-coverage protection is yours

at no cost. In fact you are paid for carrying it.

Such a policy sounds like a cinch to sell, doesn't it! Funny isn't it then how many of them go begging every day at windows marked U. S. War Bonds!

As men who know the meaning of the word protection, insurance men must surely be in the forefront of U. S. War Bond buyers and boosters.

R. N. CRAWFORD & CO., Inc.

120 So. La Salle St., Chicago. Tel. Randolph 0750

Headquarters for "OUT-OF-THE ORDINARY" Contracts



Established 1915

DOUGHNUTS TO DOLLARS!

TURN THOSE SMALL RISKS TO PROFIT
ACCOUNTS WITH EUREKA COMPREHENSIVE LIABILITY POLICIES.

EUREKA CASUALTY COMPANY
PHILADELPHIA 4 • PENNSYLVANIA

BRANCH OFFICES
NEWARK, N. J. JOHNSTOWN, PA. PITTSBURGH, PA. WILKES-BARRE, PA.
LOUISVILLE, KY. INDIANAPOLIS, IND. COLUMBUS, OHIO PIKEVILLE, KY.

power
one v
Maryl
of con
sents
proper

The
quire
shall
scribe
provis
the pr
Maryl
redem
not u
stances

Wils
attorne
er, Me
attorne
Schwa
Just

nounce
been s
the de
H. W
Co., C
The V
gyrati
It mo
2½ to
and th
liams
prom
throug
It is a
stock
attack
compa

Voyt
consin
awarde
at a l
the an
Council

The
Men's
meeting
and h
Hedge
about
Baird,
on con
reka, i
both th
new a
Hedge
the ne

Euge
preside
demnit
denly
business
underw
office a
into th
Nebras
to the
as age
wide.
who o
burg, I

Fause

Loui
tuary
tuary
ser att
versity
in the
Life a
ceiver

For
nected
in the
depart

H. C
Old L
accide
largest
Olinge

power of the preferred stock limited to one vote per share and the control of Maryland turned over to 799,923 shares of common stock which at most represents a very small equity in the property.

The law of Maryland does not require that the common stockholder shall be given prescriptive rights to subscribe for the preferred stock. The provisions for multiple voting power of the preferred stock are not forbidden by Maryland law. The restrictions on the redemption of the preferred stock are not unreasonable under the circumstances.

Wilson & McIlvaine of Chicago were attorneys for Maryland Casualty, Mayer, Meyer, Austrian & Platt of Chicago, attorneys for RFC and Gottlieb & Schwartz, attorneys for Williams.

Just before the decision was announced Maryland Casualty stock had been selling at about 8½. On news of the decision it went down, according to H. W. Cornelius of Bacon, Whipple & Co., Chicago, to 6¼ bid and 7½ asked. The Williams' suit has been causing gyrations in Maryland-Casualty stock. It moved up in one surge from about 2½ to 5, then it went back to about 3 and then shot up to a high of 9½. Williams and Cruttenden & Co. extensively promoted sale of Maryland Casualty through prospectuses and in other ways. It is a strange circumstance to see the stock of a company go up when it is attacked in court and go down when the company triumphs.

PERSONALS

Voyta Wrabetz, chairman of the Wisconsin industrial commission, was awarded a 25-year safety service award at a luncheon held in connection with the annual meeting of the Wisconsin Council of Safety in Madison.

The Kansas agency of Business Men's Assurance held a short agency meeting preceding the Wichita accident and health sales congress. Bert A. Hedges, state manager, entertained about 30 at a buffet supper. C. A. Baird, Almena, led the agency in 1944 on combined lines; Leo G. Miller, Eureka, in life and E. L. Sisk, Wichita, in both the number of lives insured and in new accident and health business. Mr. Hedges has been elected president of the newly organized Kansas War Dads.

Eugene W. Snyder, resident vice-president at Los Angeles of Royal Indemnity the past two years, died suddenly there. Mr. Snyder entered the business with Hartford Accident as an underwriter, in the western department office at Chicago and subsequently went into the field as special agent covering Nebraska. About six years ago he went to the home office of Royal Indemnity as agency supervisor traveling country-wide. He was a brother of Fay Snyder, who operated a large agency at Galesburg, Ill., for several years.

Fauser Actuary for United

Louis Fauser, formerly assistant actuary for Alliance Life, has become actuary for United of Chicago. Mr. Fauser attended Bradley Tech and the University of Illinois. He spent three years in the actuarial department of Peoria Life and was later retained by the receiver for that company.

For the past 10 years he was connected with Alliance Life and worked in the underwriting, group and actuarial department.

H. G. Sell, Oconomowoc, Wis., led Old Line Life in both in the number of accident and health applications and largest premium income, with A. M. Olinger, Milwaukee, second in both.

U. S. F. & G. Puts Glamor in Audit

U. S. F. & G. has gotten out a personal insurance audit book covering 57 kinds of insurance. On each of the right hand pages are spaces with these columnar headings: Property, valuation, insurance, premium, expires, company, policy number, agency.

On the left hand page opposite each kind of insurance is a photographic illustration dramatizing the peril or the subject of the insurance.

The preparation of this book was in charge of J. Dillard Hall, assistant director of agencies, and he has devoted several months to its perfection.

In addition to providing the record of insurance, a householder who undertakes to make the various entries will be making an inventory of his possessions. Thus, the foreword states that the assured could use this book to lead him on a self conducted tour of his possessions and the hazards that could upset his plans, his family and his future. According to the foreword, the audit directs a person's attention to all the possible losses that can occur to him. It is emphasized that values have risen sharply in recent years and it is suggested that a person who jots down the figures will be greatly surprised at the value of his possessions today.

In its advertising in several publications for the public, U. S. F. & G. during the next several weeks is calling attention to this audit and the advertisement contains a form for requesting a copy. The pages and the illustrations are large and the layout contains enough glamor so that householders may be tempted to make the entries in it where they would not do so in a more prosaic type of record book.

Aetna Cas. Man Gets First GI Home Purchase Loan

R. E. Baker, a claim adjuster for Aetna Casualty has become the first veteran to be granted a loan for the purchase of a home under the provisions of the GI bill of rights. Announcement of this fact was made by C. C. Barksdale, state director for Virginia of Federal Housing Administration.

Mr. Baker was a claim adjuster at Roanoke before entering the Army, where he was being trained for service with the allied military government. After seven months service, he fell and injured his arm, receiving a medical discharge.

He was reemployed by Aetna and assigned to Richmond. He decided to purchase a home and took advantage of an agreement signed early in January by the veterans administration and the national housing agency which is applicable in all cases where a veteran applies for both an FHA insured first mortgage loan and an equity loan up to \$2,000 guaranteed by Va. The loan was made by a Richmond bank.

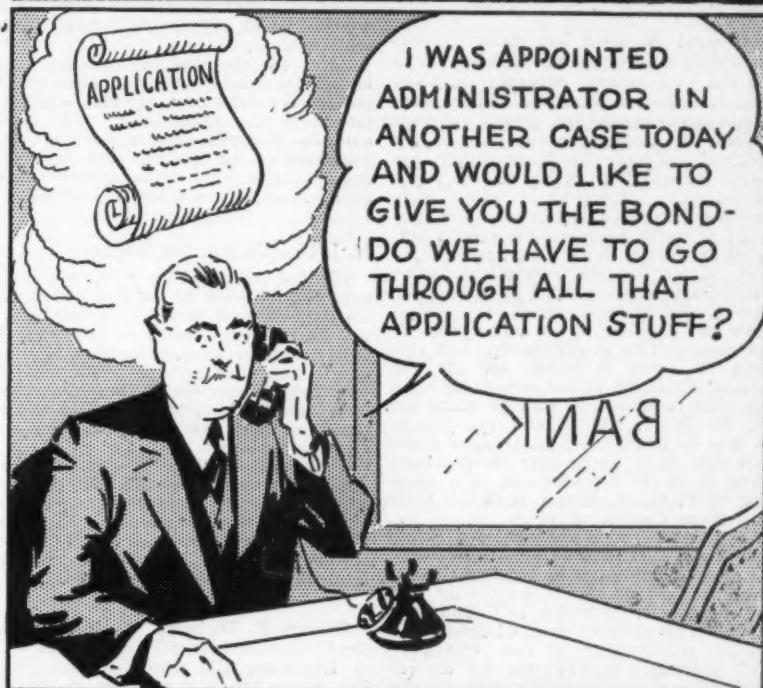
A veteran who obtains a loan under section 505 of the GI bill of rights will pay interest at the rate of 4% on the amount up to \$2,000 guaranteed by VA. He can repay this amount in monthly installments over a 20-year period and the government will pay the interest for the first year.

On his FHA insured first mortgage, the veteran will pay such interest as may be agreed upon between him and the lender, and his monthly payments will include principal, interest, taxes and fire insurance.

Heinrich Book on Supervision

H. W. Heinrich, Travelers engineer and safety expert, has written a new book, "Basics of Supervision," published by the Alfred M. Best Co. In it he deals with the problems of industrial supervision and safety, including promotion of efficiency, production and safety; how to give orders; how to maintain discipline; reasons and remedies for unsafe practices; how to check work performance; how to train foremen and how to analyze people.

AS SIMPLE AS THAT!



WHY DON'T YOU USE
WESTERN SURETY ORDER BLANKS?

**WESTERN SURETY
COMPANY**

Western Surety Bldg.
Sioux Falls, S. Dakota

175 W. Jackson Blvd.
Chicago 4, Illinois

Agents are invited to write for samples of the order blanks developed as part of our program of success through helping agents to succeed.

**ONE OF AMERICA'S
OLDEST BONDING COMPANIES**

General Accident Modifies Rates, Rules and Coverage on Monthly Pay Forms

General Accident has made changes in rules, coverage and premium rates on the new general coverage disability policy, non-occupational disability, supplemental coverage and women's disease riders. The acceptance age limit on the general coverage disability policy has been increased from 50 to 55 years. Rates for hospital-nurse rider were increased from 60 to 75 cents. The hospital or nurse expense rider covers hospital expense such as X-ray, anesthetics, etc. Rates for the surgical operation rider have been reduced in classes below C and at higher ages, and women now are eligible for it up to age 55 as compared to 45 previously. The rate was 75 cents a month for men in classes C, D, or E, but now is 60 cents for classes C and D and 75 cents for E, F, G, H, and I; and for women it was and still is 75 cents ages 18-45, but now is 95 cents ages 46-55 classes AA, A, B, C, D; 90 cents ages 16-45 for E, F, G, H, I, and \$1.10 for 46-55 for these classes.

A new feature is the increased illness coverage rider which now is available in class AA through E, men ages 16-60; women ages 16-55. It previously was issued only to men AA to C and ages 16-50. This rider as changed limits non-house confinement to one month of full indemnity except that for an additional premium the rider will pay the full amount for either confinement or non-confinement for a limit of one year. Previously it was not possible to increase the limits. The extra rates for the increase are: males 16-50, 6 cents per \$10 monthly indemnity; 51-55, 9 cents; 56-60, 11 cents; females, 16-45, 8 cents; 46-50, 12 cents; 51-55, 14 cents.

In the non-occupational policies, the individual acceptance limit for women has been raised from age 51 to 55. The rates for hospital-nurse rider has been

increased: 60 cents per \$5 a day, male, 16-50, female 16-45; and 75 cents for women 46-55 and men 51-60. Rates for hospital-nurse expense rider, which also includes X-ray, etc., are: Men 16-50, women 16-45, 80 cents; men 51-60, women 46-55, \$1.

Rates for the women's disease rider have been reduced at higher ages where the supplemental coverage riders are attached to the same policy. The rider extends women's disease coverage by eliminating the policy exclusion respecting disease of or injury to female organs, subject to rider limitations.

N. J. Hospitalization Figures

Figures presented by J. A. Dwigom, executive director of the Hospital Service Plan of New Jersey, in a talk before the New Jersey Health & Sanitary Association in Newark, show that hospital care is called on exclusively for medical treatment in one out of four cases, and for surgical care in two out of four. The remaining 25% are hospitalized for obstetrical service.

Two out of three hospitalized are family dependents, he said. Nine out of 10 cases are served in cooperating hospitals. The married woman is the most likely to be hospitalized, experience shows, the child less likely, and the father least likely to be, he said.

George E. Dickson, 77, president of the Dickson Weather Proofing Nail Co., of Evanston, Ill., who died the other day, years ago was a figure in the insurance business. He was with London Guarantee in Chicago for a time and then was with Fidelity & Casualty. He claimed to have introduced the plan of selling accident insurance in connection with railroad tickets and unsuccessfully sought to have the plan patented. He engaged in some litigation subsequently on account of this enterprise. At one time he was president of a company at St. Louis known as Royal Accident.

Good Record for Disabled Workers

WASHINGTON — Reporting that 44,000 rehabilitated persons, "whose physical disabilities had kept them from making enough money to live on," were earning \$6,482,000 a month at the close of the fiscal year, June 30, last, Michael J. Shortley, director of the office of vocational rehabilitation, tells of the results of a survey made by his office of 117 major industrial establishments that have been using disabled persons.

According to plant managers, says a summary of the report, "physically impaired persons produce as much or possibly a little more than able-bodied employees. They are dependable, regular in attendance, and careful in observance of safety regulations."

Disabled persons are likely to be more careful in their movements. If their disabilities are due to prior accidents, they have learned the lesson of safety regulations the hard way and are constantly on guard to prevent further injuries to themselves and to protect their fellow workers.

The industrial accident rate of physically impaired workers, as reported by Shortley for 87 of these industrial plants employing from 50 to 12,000 handicapped persons, shows that 56% of the employers found the accident rate lower than for the able-bodied; 42% said the rate was the same as for the able-bodied; only 2% found it to be higher among the handicapped.

Those suffering from poliomyelitis totaled 3,237; cerebral palsy, 387; orthopedic, other than poliomyelitis and cerebral palsy, 15,592; blind, 1,112; defective vision, 2,253; one eye, 1,720; deaf, 577; deaf mute, 746; hard of hearing, 2,494; arthritis, 761; cardiac, 2,158; diabetes, 199; hernia, 1,088; speech defect, 309; pulmonary tuberculosis, 2,668; mental, 760; other, 5,129.

Mich. Law Abolishing State Immunity Unconstitutional

LANSING—Circuit Judge F. T. Miles, in the claims court, held unconstitutional the 1943 Michigan law repealing the old defense of governmental immunity in damage suits. This was based on the technicality that the title of the law failed to state its true purpose.

Pending an appeal to the state supreme court, Meredith Doyle, assistant attorney general, said the state would consider no more claims, on the principle that the defense has been automatically reinstated.

Judge Miles's opinion arose out of a suit by E. J. Benson and several other owners of cottages near the Lapeer home and training school, charging damage caused by escaped feeble-minded inmates.

Ohio Governor Bars Feting State Workers

COLUMBUS—Insurance associations and companies which have delighted to entertain the governor of Ohio and members of the Ohio division of insurance will have to stage their functions hereafter without the gracious presence of anyone in the state service. Gov. Lausche, the new state executive, has issued an order that no state employee shall accept the hospitality of any organization that may seek favors from the state government or legislation from the general assembly. It is reported that members of the insurance department already have been compelled to decline several invitations.

The question has been raised as to whether any state employee would be permitted to deliver an address before any trade or civic organization, if a dinner were served or entertainment provided.



**"WHAT
A
MISTAKE
I
MADE!"**

BIG DAMAGE SUIT PENDING— NO DRAM SHOP LIABILITY INSURANCE POLICY

The building may be sold by court order to satisfy a judgment. Yes—it is a big mistake for the owner of a building in which there is a tavern, restaurant or club serving intoxicating beverages, to be without Dram Shop Liability Insurance.

Courts and juries seem to favor the "have nots." The "have" must pay.

INSURANCE IS THE ONLY PROTECTION

For Best Terms Address

A. F. SHAW & CO., INC.
CHICAGO, 175 W. Jackson Blvd. Phone WABASH 1068



PACIFIC EMPLOYERS SAFETY CODE

Safety first, last and all the time in the industries of our insureds has been, and will continue to be, the goal of Pacific Employers' safety engineers. Their efforts in this direction have been invaluable in getting materials and supplies to our fighting men—and their immediate and most important job is to continue to help keep production high and delivery fast. Until Victory is won, the promotion of safety and the buying of War Bonds are the major pursuits to which our entire organization is geared.

PACIFIC EMPLOYERS INSURANCE COMPANY

VICTOR MONTGOMERY, President

A Capital Stock Casualty Insurer

HOME OFFICE 1033 SOUTH HOPE STREET, LOS ANGELES - 15

For New

LANSING—conferri Chicago eral co propose the stat A bi but it i though form.

Mr. F week w tive to program been po

One l measure rates as compan

Sen. quire e ployes t ent the

Mr. l bill to fund be sible re high va facilities

The s although ties are

The make it for exce commiss tive boar

Exam Bill in

ST. P Minnesco inations licensed would e the state already quired u Johnson

The b Wahlstr identified izations. Insuran missione program pledges legislato sioner.

Seek Contr

INDI introduc mit the divisions tracts w terstate A hou \$1,000 fo Negroes ing of po

Hardwa

The U Sioux F dict in th plus inte rion, S. A store by fire N tual den legality and char by a "se surance tents.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Forbes Holds Parley on New Mich. Fire Policy

LANSING—Commissioner Forbes is conferring this week with E. M. Griggs, Chicago, National Board assistant general counsel, relative to the form of proposed Michigan legislation rewriting the standard fire policy law.

A bill already has been introduced, but it is doubtful that the measure, although department-drafted, is in its final form.

Mr. Forbes had expected to meet this week with other insurance interests relative to other phases of his legislative program but that conference now has been postponed, probably for a week.

One bill certain to be sponsored, is a measure for control of compensation rates as worked out in detail by the companies and the department.

Sen. Hittle is author of a bill to require employers of two or more employees to provide compensation. At present the minimum is eight.

Mr. Forbes has suggested that the bill to expand scope of the state fire fund be amended to provide for possible reinsurance of extra-hazardous or high value risks with private insurance facilities.

The state fund's capacity is \$1 million, although numerous single state properties are valued at several times that sum.

The suggested amendment would make it possible to obtain reinsurance for exceptional risks, if approved by the commissioner and the state administrative board.

Examination Exemption Bill in Minnesota

ST. PAUL—A bill is now before the Minnesota senate to exempt from examinations all insurance agents who were licensed prior to Aug. 1, 1944. This would exempt practically all agents in the state, several hundred of whom have already taken the qualifying tests required under a ruling of Commissioner Johnson.

The bill was introduced by Senators Wahlstrand and Nelson, both closely identified with farm insurance organizations. The Minnesota Association of Insurance Agents is supporting Commissioner Johnson in his examination program and it is understood has the pledges of a considerable number of legislators that will back the commissioner.

Seek Approval of State Contracts with Mutuals

INDIANAPOLIS—A bill has been introduced in the Indiana senate to permit the state and governmental subdivisions to enter into insurance contracts with mutuals, reciprocals or interstate exchanges.

A house bill provides for a fine of \$1,000 for discrimination against Negroes in charging of premiums, issuing of policies and settlement of claims.

Hardware Mutual Loses Appeal

The United States circuit court at Sioux Falls, S. D., has affirmed a verdict in the lower court awarding \$32,340, plus interest, to Jacob Hieb, Inc., Marion, S. D., against Hardware Mutual. A store of the Hieb Co., was destroyed by fire Nov. 4, 1942, and Hardware Mutual denied liability on the ground of legality of ownership, excessive claims and charged that the loss was suffered by a "set fire." There was \$15,000 insurance on building and \$21,000 on contents.

Detroit Agents to Hold Annual Meeting Jan. 31

DETROIT—F. E. Armstrong, professor emeritus of economics and finance at the Massachusetts Institute of Technology, will speak on "Basic Trends" at the annual meeting and banquet of the Detroit Association of Insurance Agents Jan. 31.

All local agents, stock fire and casualty field men, whether affiliated with the association or not, have been invited to participate in the cocktail hour at 5:30 and the banquet at 6:30. Directors will be elected and they will name the new officers.

Commissioner Forbes will discuss department matters of interest to agents and field men and W. O. Hildebrand, Lansing, secretary-manager of the state association, will report on legislative developments. G. W. Carter, Detroit Insurance Agency, will report on the recent Philadelphia conference.

New Indiana Committees Named

New committees of the Indiana Association of Insurance Agents have been named by Herman C. Wolff, Indianapolis, president. Chairmen are: Raymond C. Fox, Indianapolis, legislative; Edward E. McLaren, Indianapolis, marine; Ray L. Strayer of Warsaw, rural agents; Julius H. Meyn, Hammond, public relations; William L. Walls, Bedford, casualty; Atwood Jenkins, Richmond, fire insurance; George W. Fishering, Fort Wayne, fire prevention; Chris Zoercher, Tell City, grievance; Simpson Stoner, Greencastle, local boards; Roland H. Cutter, Richmond, publicity; Ralph G. Hastings, Washington, insurance education; H. Hobbs Miller, Seymour, membership; Will R. McKown, New Castle, accident prevention, and Don Stoutenour, Goshen, finance.

To Decide on Minn. Mid-year

MINNEAPOLIS—The executive committee of the Minnesota Association of Insurance Agents will meet Jan. 26 to decide whether a mid-year meeting will be held this spring. The committee previously had set March 22-23 as the dates for the mid-year but since then the Byrnes "no convention" request has been made and officials of the association do not wish to go contrary to it.

The committee also will consider what course it will pursue in view of the opposition to Commissioner Johnson's qualification examinations. A bill is now before the legislature to blanket in all agents licensed prior to August, 1944. The association has been backing the examination program.

Graham Talks on Aviation

James R. Graham, production head and western manager of U.S. Aviation Underwriters, will discuss aviation insurance at a regional field men's meeting of Hartford Fire in St. Louis Jan. 24. Mr. Graham will tell how field men can get agents ready to handle aviation insurance business after the war by acquainting them with the facilities available and by supplying them with kits.

Mr. Graham spoke on aviation insurance at a meeting of the insurance law division of the Chicago Bar Association. Sam Levin, chairman, presided.

Ohio Bills Introduced

COLUMBUS, O.—Measures before the Ohio legislature include a bill to require the payment of insurance premiums covering county vehicles out of

the county road fund instead of the general fund. Bond and insurance provisions are included in a bill to regulate transportation of persons and property by aircraft under the supervision of the public utilities commission. A bill offered in the house would let subdivisions contract with state or county institutions for fire protection. Governor Lausche has urged no changes in taxes or state tax laws.

A bill has been introduced in the assembly to abolish bonds in connection with the retail liquor permits.

\$300,000 Loss at Fremont, O.

More than \$300,000 loss to the insurers will result from the fire which practically destroyed the plant at Fremont, O., occupied by United Machinery Co., Fremont Rubber Co., and Steel Building Products Co. The plant was used chiefly for rubber reprocessing, and there was more than \$100,000 insurance on raw stock. The latter was carried by Firestone Rubber Co., which owned the stock and insured it under a floater reporting form.

Wisconsin 1752 Club Elects

MILWAUKEE—Robert Barber, West Bend Mutual, has been elected president of the 1752 Club of Wisconsin, succeeding John Lau, Union Mutual Fire. George R. Foulds, National Retailers Mutual, is vice-president; Charles H. Vander Zande, Campbellsport Mutual, was reelected secretary-treasurer. On the executive committee are Leonard MacDonald, Cream City Mutual; Alvin E. Krug, Badger Mutual Fire, and J. Leonard Henderson, American Mutual Fire, all of Milwaukee.

Detroit Agency's 30th Anniversary

The 30th anniversary of the Seldon & Johnson agency of Detroit was celebrated by a banquet at which 77 members of the organization were present. V. H. Fairless was toastmaster and several officials spoke, including President H. M. Seldon, who said 1944 was the agency's best year and predicted a good year in 1945. Of the organization members present, 21 have been with Seldon & Johnson more than 10 years and 10 for more than 20 years.

New Manitowoc Officers

MANITOWOC, WIS.—Frank Vraney was honored by the Manitowoc Insurance Board in appreciation of 10 years of service as secretary-treasurer. He declined reelection, and is succeeded by E. L. Nash of the Lindstedt-Hoffman Co. agency. Mr. Vraney was presented a desk set and a purse. E. J. Scholton, First National Insurance Agency, is now president of the board, and Louis J. Lensmeyer, vice-president.

Wisconsin Insurance Committee

MADISON, WIS.—Burger Engebretson, Beloit local agent, is chairman of the insurance and banking committee of the Wisconsin house. Other members are Alfred Vande Zande, Campbellsport Mutual; Frederick S. Pfennig, Kenosha agent; Jesse A. Canniff, Beaver Dam; Raymond A. Peabody, Milltown local agent; John C. Chapple, Ashland; James C. Fritzen, Neenah; Henry W. Timmer, Waldo, all Republicans, and E. M. Schneider, Oshkosh, Democrat.

Evans Makes Many Talks

ST. LOUIS—O. D. Evans, Standard Underwriters Agency, president of the Insurance Board of St. Louis, has recently addressed a number of organizations, telling the history of the local board and why insurance agents and brokers should be accepted generally by

the public as friends and counsellors on insurance matters.

Bay Port, Mich., Fisheries Burn

The insurance loss as a result of the fire which partially destroyed the properties of the Bay Port Fishing Co. and the Gilliam Fish Company at Bay Port, Mich., will amount to approximately \$50,000. There was \$61,500 on the Bay Port fish firm's property with loss estimated at \$37,500, and around \$10,000 carried by the Gilliam firm, estimated total.

Decatur, Ill., Agents Elect

The Decatur (Ill.) Association of Insurance Agents has elected new officers and committee chairmen: President, Harold Wiley; vice-president, Harold Irish; secretary-treasurer, Mrs. Paul Swann; O. A. Sanks, chairman, fire and accident prevention committee; J. D. Johnson, legislation chairman, and Jay M. Allen, grievance chairman.

Salina, Kan., Agencies Merged

H. L. Glover of Richmond & Glover, secretary of the Salina (Kan.) Insurance Board, who is operating the agency while his partner V. M. Richmond, is in service, has taken over the L. C. Housel agency since the recent death of Mr. Housel, who organized the agency in 1912. Mr. Richmond is reported in the Southwest Pacific.

Nebraska Meeting Cancelled

LINCOLN, NEB.—The Nebraska Association of Insurance Agents annual meeting scheduled for April 12-13 in Omaha was cancelled by the executive committee at a meeting here. C. H. Reed, Beatrice, president of the association, said that the committee felt it its duty to comply with the Byrnes request.

Seltsam Topeka President

Don A. Seltsam, president of the Seltsam & Co. agency, has been advanced to president of the Topeka Insurers, succeeding Lakin Meade of the Meade Insurance Service. Victor Blakely of C. G. Blakely & Co. was named vice-president.

Schoen Heads Cat's Meow

ST. LOUIS—George R. Schoen, assistant manager Fidelity & Deposit, was installed as most wise and powerful meow of the St. Louis court of Cat's Meow Tuesday evening. He helped to organize the order and is the first man to be elected twice as its head.

Alton, Ill., Agents New Officers

The Alton (Ill.) Association of Insurance Agents has elected these new officers: L. H. Maxfield, president; Fred W. Delano, vice-president; A. E. Ernst, treasurer; J. A. Grossheim, secretary.

Ia. Insurance Committee Chairmen

DES MOINES—Rep. Jay Colburn of Harlan was named chairman of the insurance committee in the house of the Iowa legislature. Sen. E. K. Bekman of Ottumwa heads the senate insurance committee.

Beresford Pontiac President

PONTIAC, MICH.—E. M. Beresford of Thatcher, Patterson, Beresford, has been elected president of the Pontiac Association of Insurance Agents. Vice-president is Russell H. Austin; secretary-treasurer (reelected), Charles M. Eaton.

Strengthen Prevention Ordinance

The Indianapolis city council has just put teeth in the so-called model fire prevention ordinance passed three years ago. The original ordinance was with-

out penal provisions and the council has just inserted penalties up to \$300 fine and 180 days for each violation.

Wood County Agents Meet

The Wood County Insurance Underwriters Association held its monthly dinner meeting at Wisconsin Rapids, Wis., with local agents from Marshfield and other cities in attendance. County insurance was discussed.

Milwaukee Board Dinner

MILWAUKEE — The Milwaukee Board will hold a dinner meeting Feb. 14, instead of the usual afternoon meeting.

NEWS BRIEFS

George Hanna, Central Securities Agency, Newton, Kan., district governor of the Lions, conducted the annual meeting of the state council at Wichita.

S. S. McDonald of the Allen-McDonald Agency, Wichita, was presented the oak leaf cluster by General Ray G. Harris in Wichita last week for his son Capt. McDonald of the army air forces who was lost in action over Germany early last fall.

Robert Lindstrom, son-in-law of Howard Snyder is now with the Smith-Stone-Snyder Agency at Wichita. For some years he was with Central States Fire at Wichita in the automobile department.

The St. Paul Association of Insurance Women at a meeting Feb. 6 will have the Minneapolis association as guests at

the annual joint meeting. Mrs. Ada V. Doyle, president National association, will be guest. The N.A.I.A. 100-hour course has been started, the first course offered being on fire and allied lines. Discussion leaders include Nick Dekker, state agent America Fore; C. H. Johnson, special agent Crum & Forster; P. B. Olinger, special agent Connecticut Fire, and E. I. Peters, manager Western Adjustment, St. Paul.

At the January meeting of the Sioux Falls Association of Insurance Women, Dean Leland Stark of Calvary Cathedral, spoke on "Anti-Semitism." At a dinner party prizes were won by Debbie Cashel, Home; Madeline Stringham, F.U.I.B., and Vivian Christensen, Western Adjustment.

The Insurance Women of Rock Island (Ill.) held a meeting at which Forest Dizotell, probate judge of Rock Island county, talked on "Wills." The educational program was discussed. The automobile course began last week with M. E. Myers, state agent of American, as instructor.

Forced to give up its quarters in the Cadillac Square building, Detroit, because the army needed more space, the Peninsular Insurance Agency has removed to 500 Guaranty building.

Campbellsport Mutual, Campbellsport, Wis., is observing its 50th anniversary. C. M. Lundin has become manager of the insurance department of the Farmers Bank & Trust Co., Knox, Ind.

J. E. Wallace has purchased the J. G. Loving agency at Packwood, Ia.

V. E. Harris has purchased the Chalmers agency at Goodell, Ia.

Mrs. H. E. Watson has taken over the agency of her late husband at Arnolds Park, Ia.

The Brown Brothers agency, Hutchinson, Kan., has taken over the Community Finance Agency. B. C. Dickinson, former manager of the latter, is now with Brown Brothers.

hail damage is now included without charge with windstorm coverage, except on hot houses, greenhouses and contents. It is permissible to cancel specific hail coverage by endorsement from Jan. 1 to expiration of the policy.

Agents to Aid OPA Survey

The San Antonio Insurance Exchange heard an appeal from representatives of the San Antonio district office of OPA for volunteer workers to aid in a price ceiling observance survey. Cards were passed out to be signed by those who could either assist or supply workers. The number signed and returned to Secretary Ludolph indicated that the insurance business will be represented.

New Winston-Salem Officers

WINSTON-SALEM, N. C.—H. C. Horton has been elected president of the Winston-Salem Insurance Exchange to succeed Marcus A. Wilkinson. W. N. Brown was elected vice-president and Ray Johnson secretary-treasurer.

Seek Insurance Funds

OKLAHOMA CITY — House Bill 135 in the Oklahoma legislature seeks to transfer fees and taxes collected by the insurance commissioner to the general school fund of the state.

NEWS BRIEFS

O. Earl Freeman, new manager of the American Oil Company at Ocala, Fla., who was president of the Florida Association of Insurance Agents in 1928-29, will speak at the Ocala local board's next meeting.

Roosevelt C. Houser, local agent, Miami Insurance Board, has been elected president of the Miami Kiwanis club.

George Oldham, local agent, has been elected president of the Johnson City (Tenn.) Community Chest.

At the January meeting of the Nashville Association of Insurance Women, John F. Lee, manager of the Tennessee Audit Bureau, discussed the "New Standard Policy."

T. S. Lowry, Jr., owner of the Earnest Meres Agency, Inc., Tarpon Springs, Fla., has dissolved the corporation and will operate under his own name.

EAST

To Introduce New Fire Policy Law in W. Va.

Harlan Justice, deputy insurance commissioner of West Virginia, has indicated that a bill embodying the 1943 fire policy will be introduced in the state legislature during the present session. The measure will have insurance department and fire insurance company backing.

All Officers of Hartford Board Are Re-elected

HARTFORD—The Hartford Board of Fire Underwriters at its annual meeting Tuesday evening re-elected Daniel J. Mahoney, president; John Ashmead, vice-president, and Edwin S. Cowles, Jr., secretary-treasurer. Several prominent insurance officials were speakers, among them Fiske H. Ventres, executive secretary of the Connecticut insurance department. Entertainment was provided by the Associated Insurance Clubs.

The new executive committee includes Fred M. Castonguay, chairman, Ray T. Wetstone, H. Leon Vietts, Solomon Baumstein, Harold T. Messenger. Chairmen of the other committees are: Fire prevention, Thomas W. Brown; membership, Paul Avery; public relations, John Ashmead.

R. A. Foote of the W. S. Foote & Co. agency will address the meeting of the Wheeling Association of Insurance Women Feb. 5 on inland marine insurance. At the January meeting the speaker was E. I. Taylor, manager of Guardian Life.

COAST

Auto Tags Must Be Cleared Within 30 Days in Wash.

SEATTLE—An ultimatum to clear all fire and automobile tags within 30 days or suffer penalties prescribed by the Washington insurance code, has been issued by Insurance Commissioner Sullivan to all companies with delinquent tags.

Commissioner Sullivan stated that the department had previously written companies with outstanding tags but that the response has been "disappointing."

The number of outstanding tags in Washington has increased sharply since adoption of the 1943 New York standard fire policy and the rules issued in conjunction therewith. Many new rules, particularly with relation to mandatory endorsements, have been overlooked by some agents and brokers particularly where the new requirements have represented something in the way of more restricted coverage. There has been considerable confusion, but Commissioner Sullivan's firm stand is expected to clarify the situation and eventually bring about an orderly readjustment.

Reynolds Is President of Coast Hail Conference

Howard A. Reynolds, joint manager of Home, San Francisco, was elected president of the Pacific Coast Hail Conference at the annual meeting in San Francisco. Gus V. Lundmark of Great American at Great Falls, Mont., vice-president, and C. F. Laude, Rain & Hail Bureau, Seattle, secretary, were re-elected. Experience in Montana on wheat last year was bad, and the losses on fruit in the Sacramento valley of California were heavy.

Burgener in New Agency

SALT LAKE CITY—The Transportation Agency is a new agency formed here by J. A. Ottenheimer, P. B. Sadler and A. E. Burgener, with offices in the Pacific National Life building. Mr. Burgener formerly was assistant manager of the insurance department of the Union Trust Company, having been with that company and its predecessor, the Halloran-Judge Company, for 16 years. He is now secretary-treasurer of the Utah Association of Insurance Agents, editor of the "Utah Agent," state national director and a member of the committee on education of the National association.

Paul Jones Arizona Secretary

Paul H. Jones of Tucson has been chosen secretary of the Arizona Association of Insurance Agents to succeed Robert McFarlane of Phoenix, resigned.

Marine Railway Loss

SEATTLE—A spectacular two-alarm fire did serious damage to the Ballard Marine Railway here, causing a loss of between \$40,000 and \$45,000, fully insured. The loss to stock is estimated at between \$15,000 and \$20,000 and loss to building and equipment, \$25,000. The

Mont. State Hail Fund Pays Only 80% for '44

HELENA, MONT. — E. K. Bowman, chairman of the state hail insurance board, announced his department has sent out a 30% payment on 1944 hail losses, amounting to \$99,009. A 50% payment had been made previously.

So heavy were the '44 losses that they will be prorated at 80% and the balance will remain unpaid until lighter losses permit the board to accumulate some reserve funds.

IN THE SOUTHERN STATES

State Fire Fund Bill Is Introduced in Arkansas

LITTLE ROCK—A state fire insurance fund bill introduced by Senator J. E. Smith, Reyno, has been referred to the senate insurance committee. All state owned properties would be insured against fire and tornado. As present policies expire, properties would be covered at 75% to 100% of their value under the state fund, and premiums would be at the prevailing rate now charged by private carriers. Should losses require more than the fund contains, the state treasurer is authorized to transfer moneys from the state unappropriated fund which, in turn, will be repaid from the earnings of the insurance fund.

The state comptroller would administer the act with the aid of a \$3,000 a year actuary. The comptroller may purchase reinsurance if necessary, and he is to prescribe policy forms, make rules, inspect losses, etc. Disputes with state agencies over the amount of a loss or over rates are appealable to the governor or a third person appointed by him.

Company and agency men greeted the bill with a kind of resigned, "here-we-go-again" attitude, feeling that from the standpoint of principle, the state should not go into the insurance business any more than it should encroach upon other lines.

Install Birmingham Officers

BIRMINGHAM—Maurice M. Walsh was installed as president of the Bir-

mingham Association of Insurance Agents at the annual meeting and banquet by Charles L. Gandy, former president of the National Association of Insurance Agents. He succeeds C. C. Crawford. James O. Hargis, Jr., is vice-president, and John V. Coe, Jr., secretary-treasurer.

Prominent guests included Sibyl Pool, secretary of state; Addie Lee Farish, director of commerce; Brooks Glass, acting superintendent of insurance; Lewis P. Goodwin, manager of the Alabama Inspection & Rating Bureau and Cooper Green, president of the Birmingham city commission.

Florida Public Relations Tour

LAKELAND, FLA.—Harry Halden, chairman of the public relations committee of the Florida Association of Insurance Agents, will make a tour of Florida local boards beginning Jan. 28, to acquaint agents with the N.A.I.A. relations program. His itinerary includes West Palm Beach, Miami, Tampa, St. Petersburg and Orlando. He will be accompanied by Wallace Rodgers of the National association.

Miami Agents Back on Job

MIAMI, FLA.—Maj. Marvin D. Adams and James F. Taintor of Stembler, Adams, Frazier, Inc., are back in civilian life after service overseas. Mr. Adams is a past president of the Greater Miami Insurance Board.

Give Hail with Wind in La.

The Louisiana Rating & Fire Prevention Bureau announces that liability for

Weavers

ADJUSTERS! REDUCE YOUR FIRE CLAIMS!

Consult Us Before Settlements

We reweave to perfection Burns, Stains and Damages in Rugs (Oriental and Domestic), Table Cloths, Tapestries, Wearing Apparel and Upholstered Furniture. Finest Cabinet Refinishing of Furniture burnt by cigarettes.

All Work Guaranteed

AMERICAN WEAVING COMPANY

Est. 1910

5 North Wabash Ave. Bldg. 13th Floor Chicago
Phone: DEArborn 1693-4



We serve leading Companies and Adjusters throughout the Country. References gladly furnished.

line is han
and totals
Alliance, Y
tral. The
Bureau is

Ariz. Ag

The traf
zona high
a 32-page
expense wa
Associatio
public rela
tion of th
is acknow
Governor
sage of th
supervisor

NEWS B

Marsh
their Los
Hill street
South Spr

George
agent, has
King Cou
The Insu
their Janu
Karl E. Ep
of inland

The com
come tax
representa
ment at th
the Seattle
tion.

New Van

VANCO
is being fo
of Parson
of Firem
president
W. S. C
Seed, sec

Unoccu

An occa
visit by th
occupied
occupancy
a 30-day v
the Ontar
in reversi
court. Th
and the ir
Fire. Lar
at a hotel
but made

at his far
appeal hel
ously unoc
bert's habi
The To
ronto "Eve
als conder
such cond
insurance

British
write acci

Unoccu
An occa
visit by th
occupied
occupancy
a 30-day v
the Ontar
in reversi
court. Th
and the ir
Fire. Lar
at a hotel
but made

at his far
appeal hel
ously unoc
bert's habi
The To
ronto "Eve
als conder
such cond
insurance

British
write acci

Unoccu
An occa
visit by th
occupied
occupancy
a 30-day v
the Ontar
in reversi
court. Th
and the ir
Fire. Lar
at a hotel
but made

at his far
appeal hel
ously unoc
bert's habi
The To
ronto "Eve
als conder
such cond
insurance

British
write acci

Unoccu
An occa
visit by th
occupied
occupancy
a 30-day v
the Ontar
in reversi
court. Th
and the ir
Fire. Lar
at a hotel
but made

at his far
appeal hel
ously unoc
bert's habi
The To
ronto "Eve
als conder
such cond
insurance

British
write acci

Unoccu
An occa
visit by th
occupied
occupancy
a 30-day v
the Ontar
in reversi
court. Th
and the ir
Fire. Lar
at a hotel
but made

at his far
appeal hel
ously unoc
bert's habi
The To
ronto "Eve
als conder
such cond
insurance

British
write acci

Unoccu
An occa
visit by th
occupied
occupancy
a 30-day v
the Ontar
in reversi
court. Th
and the ir
Fire. Lar
at a hotel
but made

at his far
appeal hel
ously unoc
bert's habi
The To
ronto "Eve
als conder
such cond
insurance

British
write acci

line is handled by C. P. Sargent & Co. and totals \$74,500, divided between the Alliance, Yorkshire and American Central. The Fire Companies Adjustment Bureau is handling the loss.

Ariz. Agents Aid Safety Drive

The traffic safety division of the Arizona highway department has put out a 32-page booklet, "Traffiquiz." The expense was taken care of by the Arizona Association of Insurance Agents as a public relations project. The cooperation of the Arizona agents' association is acknowledged in a foreword by Governor Osborn. Also there is a message of thanks from A. G. Smoot, state supervisor of the traffic safety division.

NEWS BRIEFS

Marsh & McLennan have moved their Los Angeles office from 714 South Hill street to larger quarters at 453 South Spring street.

George C. Newell, Seattle general agent, has been elected president of the King County Humane Society.

The **Insurance Women of Denver** at their January meeting heard a talk by Karl E. Eppich on some unusual features of inland marine insurance.

The complexities of filing federal income tax returns were discussed by a representative of the Treasury department at the Jan. 23 dinner meeting of the **Seattle Insurance Women's Association**.

CANADIAN

New Vancouver Company

VANCOUVER, B. C.—British Pacific is being formed here by Frank Parsons of Parsons, Brown, Ltd., representatives of Firemen's group. Mr. Parsons is president; T. S. Dixon, vice-president; W. S. Charlton, treasurer, and H. J. Seed, secretary.

It is reported that the new company will feature the sale of fire coverage on monthly premium plans exclusively for one-family dwellings. The proposed contracts are to be issued for the life of the dwellings, subject to the payment of the monthly premium which is understood to be 25 cents per month for \$500 coverage; 40 cents for \$1,000; 75 cents for \$2,000 and \$1.00 for \$3,000. Originals of the applications are to be photostated as the policies. The company is to be handled by salaried salesmen, who in addition will be given 15% of the premium collections made on the monthly debit plan.

British Pacific is also expected to write accident and health insurance.

Unoccupancy Clause Decision

An occasional overnight or week-end visit by the owner to an otherwise unoccupied dwelling does not constitute occupancy so as to render inapplicable a 30-day vacancy or unoccupancy clause, the Ontario court of appeals has held in reversing the decision of a lower court. The assured was Percy Lambert and the insurer was Wawanesa Mutual Fire. Lambert lived most of the time at a hotel in Grimsby where he worked but made overnight and week-end stays at his farm dwellings and the court of appeal held that the home was continuously unoccupied, that it was not Lambert's habitual place of abode.

The Toronto "Daily Star" and Toronto "Evening Telegram" ran editorials condemning the law which permits such conditions to be contained in an insurance contract.

Canada's 1944 Fire Losses Up

TORONTO—A preliminary report puts Canada's 1944 fire losses at \$48,562,450, making allowance for some \$12 million of unreported fires. This is an increase of more than 15% over the 1943 figure.

There were substantial declines in British Columbia, Manitoba and Quebec but these were more than offset

by increases in Alberta, New Brunswick, Nova Scotia and Ontario.

Curtis Employers Liability Chief

Charles Curtis has been appointed manager for Canada of the Employers Liability group in Montreal, succeeding Ernest Marshall, who died Dec. 24.

MARINE

Analyzes PPF Experience and Coverage

NEW YORK—The personal property floater has not been written widely enough yet, particularly in the east, to plot a loss ratio curve, but informed opinion places the present figure between 60 and 65%, Davis Quinn, Central Surety, said in a talk before the Surety Claim Men's Forum here. Observers expect losses to increase. Some of them believe this will be moderate, others that it will be "tremendous," Mr. Quinn said. The earned loss ratio for 1943 is reported at 50.04, which, with claim expense, may run to 60%. Claims on New York business up to now have been few, chiefly because the policy has been written there only since last summer and much of the so-called pick-up insurance, not yet having expired, has paid normal losses, he said.

Loss Ratio Increases

The loss ratio countrywide has exceeded that under separate policies covering the same risks, Mr. Quinn added, and there is no reason to expect any difference in New York figures. It is significant that the countrywide loss ratio on the PPF has increased each year in the past, he commented. Disappearance claims have not appreciably grown in number. Practically no bad faith losses are reported, although there have been a number of small nuisance claims, he said. The latter have been paid, although it is not the intention of the companies to cover losses in this category. This statement, he said, may conflict with some of the advertising.

The most remarkable thing about the PPF is that so many claims have been made and paid on losses the underwriters never had any idea of covering, Mr. Quinn said. One assured, anticipating gasoline rationing, bought and stored legitimately 2,000 gallons in storage tanks at a nearby vacant service station. Recently he went to look at it and found only a couple of hundred gallons left. His personal property floater paid. A mouse got into the sofa and assured had to rip up most of the upholstery to chase it out; the loss was covered. There have been some extraordinary minor casualties paid under the policy: a curtain was sucked into a fan; water overflow in bathroom soaking furniture in living room below; a slammed door jarred painting on the wall which dropped and broke the frame and tore canvas; a gun shot accidentally in the apartment; hose nozzle put into front door by playful children; ink on rug; cigarette burns; stones out of rings. Another example is assured purchased a small article gave the clerk a \$20 bill and forgot to wait for the change. There is no exclusion in the policy for this kind of loss.

Following the current trend toward package insurance, public interest in the personal property floater continues to rise, Mr. Quinn said. Many producers in the east are not yet sold on the form, but Mr. Quinn believes that this is due mostly to newness of the form in that area and the producers' lack of acquaintance with it. Larger brokers and those with wealthy clientele have sold the form as widely as they could in the time it has been available, and they are well pleased with it except for

the \$250 limitation on unscheduled jewelry, watches and furs and the \$50 limit on money and securities, which appears to embarrass and weaken considerably their assertion to assured that the PPF is better cover than the residence theft policy. The high minimum premium has retarded interest in the form among prospects of average income.

Some producers are not selling it because of the lower commission. Others say they do not understand the policy and have not had time to study it, and that there are some objectionable limitations such as no cover on improvements and betterments in apartments or on boats for fire or theft.

Haefner Returns to Fireman's Fund

Leslie J. Haefner has returned to his position as marine secretary at the head office of Fireman's Fund. Since 1942 he has been in Washington with executive responsibilities with the war shipping administration. He joined Fireman's Fund in 1906 and was elected marine secretary in 1940.

Wash. Co., Me., Agents Organize

MACHIAS, ME.—The Washington County Board of Underwriters has been organized by agents in the county and these officers elected: President, J. C. Milliken, Cherryfield; vice-president, C. W. Fenderson, Valais; treasurer, E. L. Goldsmith, Machias; secretary, Bertha Longfellow, Machias.

Urges Investigation of Alleged Evils

(CONTINUED FROM PAGE 1)

maintaining it would decline drastically."

The belief that insurance costs too much is not a superficial notion held by a few eccentrics, but it is a deeply rooted and widely shared conviction that there is something fundamentally wrong with a system under which a dollar of premium must be collected on the average, to pay each 50 cents of losses. It does not seem logical to these people that it should cost 50 cents to spend 50 cents.

Would Scrutinize Commission

Specifically, he said, commission levels will have to be scrutinized, and this will open up certain underlying questions, such as the effect of competition, between companies as well as between producers, on commission rates; the value of the producer's services to the buyer; and the qualification of producers. Company and bureau administrative and statistical activities will have to be studied, as will also loss adjustment operations. Taxes and other government imposed fees and expenses will have to be reviewed. This is a difficult and comprehensive undertaking, yet it must be done if the complaint of the policyholders is to be answered authoritatively. In the interest of preserving private control of insurance, particularly of the promulgation of rates, a satisfactory answer must be found, he said.

A DIRECTORY OF RESPONSIBLE INDEPENDENT ADJUSTERS

DIST. OF COLUMBIA

NICHOLS COMPANY INSURANCE ADJUSTMENTS

All Lines—Representing Companies only
Established 1921—Twenty-four hour Service
Washington, D. C., Woodward Bldg., Phone Met. 6616
Richmond, Va., Mutual Bldg., Phone Dial 3-6359
Baltimore, Md., Mercantile Tr. Bldg., Ph. Lexington 6230
Winchester, Va., Masonic Bldg., Phone Win. 3838
Hagerstown, Md., Warham Bldg., Phone Hag. 796

FLORIDA

S. W. CARSON, Insurance Adjuster

All Lines
Serving Central Florida from Two Offices
26 Wall Street 139 Ivy Lane
Orlando Daytona Beach
Phone 2-3346 Phone 6262
16 Years Experience

ILLINOIS

THOMAS T. NORTH ADJUSTMENT COMPANY

Adjusters All Lines
175 W. Jackson Boulevard, Chicago
Branch: 212 Jefferson Ave.
Clearwater, Florida

J. L. FOSTER

814 First National Bank Building
Springfield, Illinois
Fire - Automobile - Casualty

INDIANA

CENTRAL ADJUSTING CO.

Consolidated Bldg. Indianapolis, Ind.
BRANCH OFFICES:
EVANSVILLE 414 Old Nat'l Bank
FORT WAYNE 407 Lloyd Bldg.
888 Lincoln Tower
MUNCIE 711 Old Fellows Bldg.
884 Western Reserve
RICHMOND 210 Medical Arts Building
& Bell Bldg.

INDIANA (Cont.)

EUGENE McINTYRE Adjustment Co.

All Lines of Automobile, Casualty and Inland Marine.
Eight East Market Street
Indianapolis
Branch Offices: Muncie, Ind., and Terre Haute, Ind.

IOWA

GEORGE LOVEJOY CO. Insurance Adjustments

Fire * Inland Marine * Automobile * Aviation
TELEPHONES 2-4622 2-3629
Davenport, Iowa
First National Bank Bldg., Davenport, Iowa
Serving Eastern Iowa and North Central Illinois

MARYLAND

SOUTHERN UNDERWRITERS, INC.

Casualty Insurance
Adjusters
Safety Engineers
1020 St. Paul St. Tel. Vernon 2353
Baltimore 2, Md.

MICHIGAN

WAGNER AND GLIDDEN, INC. TOPLIS AND HARDING, INC. INSURANCE ADJUSTMENTS ALL LINES

Chicago Leo Assisio New York Detroit

MINNESOTA

MAIN & BAKER, INC. GENERAL ADJUSTERS for the COMPANIES

816 Second Ave. S.
Minneapolis, Minnesota
Telephone MAin 3448
Branch offices: St. Paul, Duluth, Minn.; Grand Forks, Bismarck, N. D.; Sioux Falls, S. D.

A satisfactory answer must await the result of separate studies of the items comprising the expense loadings in rates.

The complaint of many buyers over the difficulties of getting the kind of coverage desired should be studied to determine whether it is just and if it is, what the causes are. Investigation should disclose if the buyers' applications were rejected because the insurance could not be written legally or because the underwriters were indifferent. If the buyers have been asking for protection to which they are not legally or morally entitled, they should be so informed. A fundamental question is, should the insurance system try to anticipate the changes in the coverage requirements of the business, or should it wait until the demand for new forms of protection comes from business? Each side of the question probably can muster formidable arguments, though those supporting the "anticipation" theory have been the most vociferous, which of course does not mean they are right.

Rating Procedure Criticism

Criticisms of insurance rating organizations and procedure are numerous and varied and in some instances contradictory. Mr. Schmidt said he was told (1) that in most cases, the bureaus are not independent but are directly or indirectly managed by carrier organizations; (2) that there are too many rating formulas in use, especially in fire insurance, and that none of them is sound and equitable actuarially, principally for the reason that too many factors are weighted in accordance with the personal judgment of the rater; (3) that the statistics upon which many classes of rates are made are incomplete or inaccurate; (4) that some rating organizations are attempting to perform the functions of the underwriter; (5) that experience and equity rating have been carried too far, and conversely, have not been carried far enough; (6) that rating activity has been surrounded with needless secrecy and saturated with politics; (7) that, generally, the science of rating has not kept pace with the expansion of underwriting.

Because the use of proper rates is vital to a sound insurance system, buyers view the charges with real concern. If existing rating machinery is outmoded and inefficient, that fact should be recognized, and steps should be taken to remedy the situation before the federal government further usurps the field. On the other hand, if investigation proves that these charges are unfounded, the peace of mind of all concerned will be restored.

Buyers are just as interested in finding out how insurance functions as they are in learning about exposures and contracts. They feel that an intimate knowledge of financing, underwriting, rating, selling and supervising processes is an integral part of their education, in that it will enable them to get a proper idea of what they should and should not expect, and why.

Good Auguries for New Federal Compromise Bill

(CONTINUED FROM PAGE 1)

for completion of legislative action by or about Feb. 1, when some state insurance taxes are payable. That result, however, does not seem practicable to some industry observers.

The House is waiting on the Senate to act before taking up insurance at the other end of the capitol.

Industry representatives are understood not to have wanted included in S.340 the words "agreement or," in section 4B relating to boycott, coercion, intimidation. Those words were taken from the O'Mahoney bill and inserted in the other at O'Mahoney's suggestion.

The reported bill is said to have been

cleared by administration Senators with Biddle.

Senators O'Mahoney and Hatch, administration stalwarts, are understood to have voted to report it, as did a total of 9 or 10 senators.

It would not surprise industry observers if the bill passes the Senate without opposition, once consideration for it is obtained.

McCarran said before leaving he did not think the bill would come up in his absence.

O'Mahoney made some changes in the draft of the committee's report on the bill Tuesday afternoon. He is reported to have said he might call the bill up for consideration in the Senate Thursday.

The bill was introduced in both houses of Congress—by Senator McCarran, judiciary committee chairman, for himself and Senator Ferguson, Michigan (S. 340) and Representative Walter, Pennsylvania (HR1590), who co-sponsored the original insurance state's rights bill last Congress, with Rep. Hancock, New York, and reintroduced it again this month.

While the principal difference between the O'Mahoney bill and the compromise bill, aside from the difference in time lag under the moratorium provision, is found in section 4(b) of the former, analysts of the two measures say it is a very vital difference. The O'Mahoney bill provides that beginning March 1, 1946, the Sherman act shall not apply to agreements on rates, rating, premiums, policy or bond forms, underwriting rules, if such rates, rules, methods, forms, premiums are filed with and expressly approved before their use by state authorities.

Sets Up Federal Pattern

Thus, it is assumed, the O'Mahoney bill would require every state to have, or set up, an agency with power and authority to pass on all such agreements, etc., and which would have to pass upon them before action could be taken thereunder. In other words, it is contended, the O'Mahoney bill sets up a federal pattern for the states and the companies to follow, in a measure, by requiring their acts to be approved beforehand by the states.

The McCarran-Ferguson-Walter compromise substitute, however, does not undertake to specify how insurance operations shall square with the anti-trust laws after the moratorium periods run out.

Under the O'Mahoney bill, the proviso that agreements, etc., shall not be effective until after state approval, it is believed, would have the effect of delaying action. Frequently, it is necessary to act immediately on some matter.

Mo. Agents to Confer with Inspection Bureau on Rule and Rate Changes

ST. LOUIS—Harry Gambrel, Kansas City, president of the Missouri Association of Insurance Agents, recently appointed a committee of six agents to confer with officials of the Missouri Inspection Bureau from time to time, concerning proposed changes in insurance forms and rules for Missouri. The men named by Mr. Gambrel, are L. E. Bright, vice-president, Lawton-Byrne-Bruner, St. Louis, chairman; Oden Prowell, Geo. D. Capen & Co., St. Louis; M. L. Nordgren, Thomas McGee & Sons, Kansas City; George Oppenheimer, Oppenheimer Brothers, Kansas City; W. E. Walker, Cape Girardeau, and George D. Clayton, Jr., Hannibal.

The Missouri association has tentatively planned to hold its annual meeting at Hotel Jefferson in St. Louis Sept. 17. On the evening of Sept. 16 there is to be an open meeting of the executive committee. Plans are contingent on war conditions and restrictions on transportation hotel reservations, etc.

Want direct-mail sales aids in accident and health? Write The A. & H. Bulletins, 430 E. 4th St., Cincinnati 2, Ohio.

O'Mahoney Appears Before Washington Insurance Club

(CONTINUED FROM PAGE 3)

The speaker gave figures just obtained from the Library of Congress on insurance assets. Those of 380 fire and marine companies amounted to, roughly, \$2.4 billion in 1929, increasing to about \$2.5 billion in 1939. By Dec. 31, 1944, 375 companies had \$2 billion 996 million assets, having increased nearly ½ billion within five years.

In 1929, 49 legal reserve life companies had \$14 billion assets. Within the following 10 years this total increased to \$27 billion and by the end of 1944 to \$37 billion.

These assets flow into New York City, according to O'Mahoney, and then flow out for investment. TNEC evidence, he said, indicated the big companies "could not be concerned with loans of less than \$100,000." Thus the "little fellow" is handicapped by difficulty in borrowing money. Investments in government bonds have been steadily increasing, although interest rates have decreased.

"The savings of the nation have flowed into huge reservoirs of savings institutions and we have not discovered how to get them out," said O'Mahoney. "Of course, the insurance industry is not guilty of crime in this respect. And if a man endeavors to correct that situation, nobody can say he is hostile to the insurance industry. But the industry can not prosper unless people have opportunity to work and to engage in business."

Restraint of Trade

The speaker summarized the Sherman act as saying that "every contract in restraint of trade is illegal, and conspiracy to attempt to monopolize is a misdemeanor," and he demanded: "Who is against that? If men go into a contract to restrain the trade of others, is that in the public interest? Nobody can say yes. If two or more great corporations, stretching throughout the United States, and sometimes over the world, engage in contracts to restrain trade, you know it is against public interest."

O'Mahoney declared he did not "know anything about the facts in the Southeastern Underwriters Association case"; he did not know "whether the evidence would prove the charges of violation of the anti-trust laws."

But, he asserted, "competition is either a good thing, or it isn't. Some say the competitive system is dead and gone and should be forgotten", but he did not agree.

"Are we going to have management by a few who tell people what commissions they shall pay, what prices they may get?" he asked. "Are we going to sit by and let these things be taken over by the government?"

He could see no difference "between management power exercised by a few big business men or by a few bureaucrats. If anybody exercises arbitrary power the people suffer. We should not permit government or any other group to write the ticket the people must pay."

The Senator said the United States has an "authoritarian" government, due to the war, as Russia, Japan, Germany, Italy have, or had.

When the S.E.U.A. case was brought, O'Mahoney said, and Congress was asked to exempt insurance from the anti-trust laws, the insurance people, agents and policyholders were asked to believe that those of us who opposed that bill wanted the government to take over the reserves of the industry.

"I would not support a bill to provide for federal regulation of insurance," the speaker declared. "Why not?" Because he did not believe in people exercising such great economic power and there would be "no gain in switching man-

agement from so-called private managers to public managers.

"If Congress should say it has no concern with the acts of individuals engaged in the insurance business,—whether they violate the anti-trust laws—that would be a most unfortunate precedent for the future of America. If you excuse insurance from the prohibitions of this 60-year old law you are writing an invitation for the future.

"I do not care if the insurance business has been as clean as the driven snow in the past, but I am concerned that you should come and ask Congress to let you do as you please.

"We are not trying to break down state regulation or state taxation. We favor state regulation. We don't want to make war on any insurance company, big or little."

He indicated he would favor legislation clarifying the situation with respect to states' rights to regulate insurance, "so long as you agree our great anti-monopoly statute shall not be overlooked or abandoned.

"That is all there is to this insurance fight. Most of it is based on misunderstanding," O'Mahoney declared.

He had gone to the luncheon prepared to "argue the case" if necessary—to answer questions—and was armed with copies of the several bills and proposals. However, no "question box" was conducted.

Conn. Licensing Simplified

Commissioner Allyn of Connecticut has notified the companies of a simplified routine that will be used in connection with the renewal of agents' licenses this year. It is intended as a device to save manpower and paper. In the past the companies have filed with the department separate agent's renewal license cards. This year this will not be done but each company will furnish in duplicate complete lists of all agents whose licenses are to be renewed on forms supplied by the department. The names must be arranged alphabetically.

At the same time each company will furnish in duplicate separate lists of agents whose licenses are not to be renewed stating the reason for such action. The requisition should be filed by March 1.

There is no change in the usual plan for requisitioning new agents.

Minneapolis Settlement Held Up

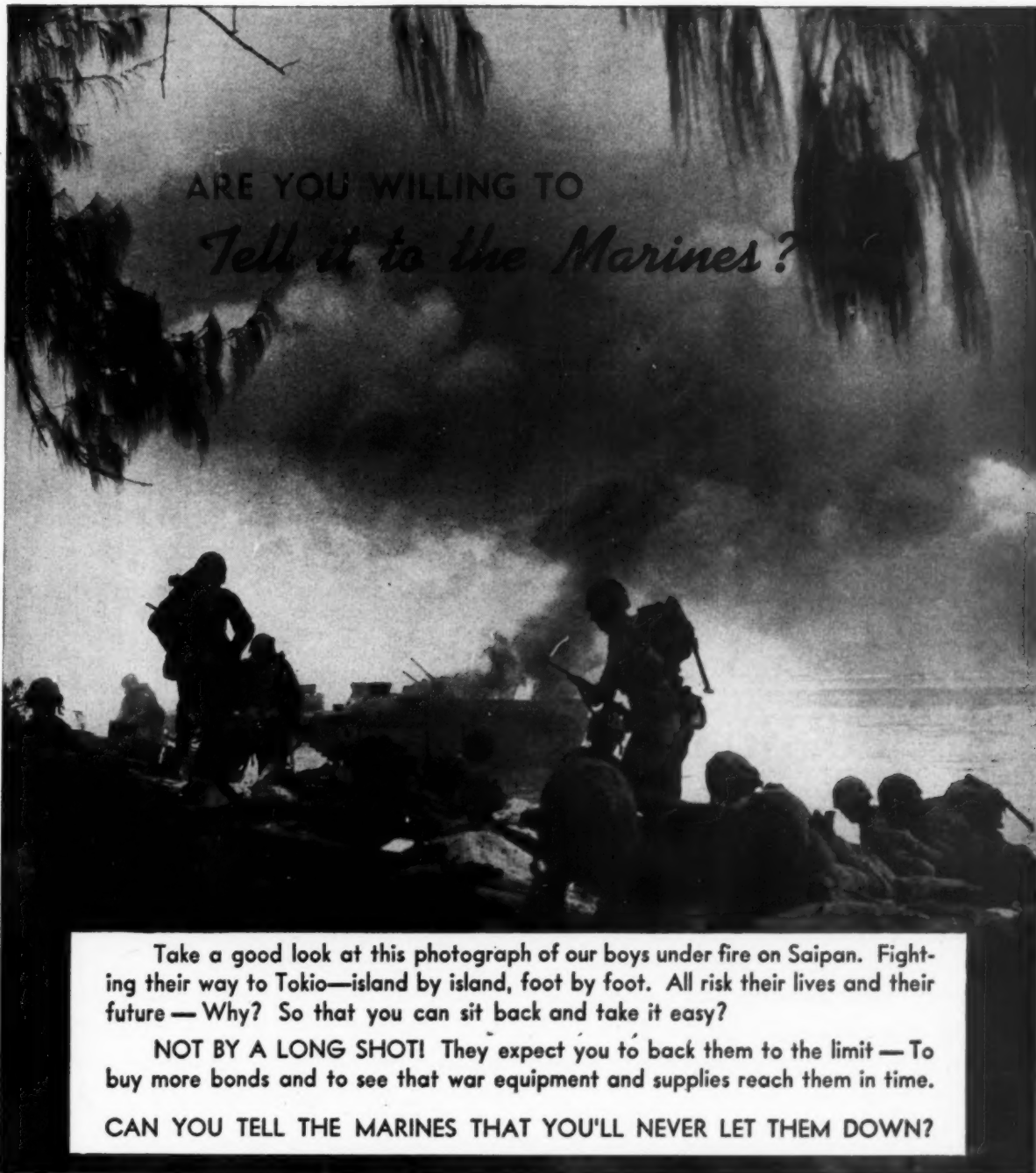
MINNEAPOLIS — Only one major point is holding up dismissal of the boycott and conspiracy action brought by Jack T. Miller, Minneapolis local agent, against the Western Underwriters Association, Minneapolis Underwriters Association and 12 insurance companies. The Minneapolis Underwriters Association has agreed to certain changes in its by-laws to meet Miller's complaint but thus far has not been inclined to go the full way. Miller is now studying the changes which the local board has agreed to make.

The Western Underwriters Association, which so far has not filed an answer in the case, has been given another postponement, to Feb. 15. By that time it is believed a settlement out of court will have been reached.

John T. Hume, supervisor of claims for the Indiana Insurance Company, addressed the Indianapolis Association of Insurance Women at the regular monthly meeting last week on "Unusual Claims." R. Watson Moon, state agent of Bankers & Shippers, sang several solos which were well received. A nominating committee was named to report at the annual meeting to be held the third Tuesday in February. There were 120 members and guests present.

Allice O'Leary, Fidelity & Casualty, was elected treasurer of the Insurance Women of Los Angeles, succeeding Arleen Thompson, who was married to Robert C. Gatewood, Norfolk, Va.

Blanche Courteau of the California Agencies has been appointed chairman of the war activities committee, replacing Mary Masterson, who has been named office manager of the Rowcliffe agency, in San Diego. Miss Courteau was elected to fill Miss Masterson's place on the board.



ARE YOU WILLING TO
Tell it to the Marines?

Take a good look at this photograph of our boys under fire on Saipan. Fighting their way to Tokio—*island by island, foot by foot*. All risk their lives and their future — Why? So that you can sit back and take it easy?

NOT BY A LONG SHOT! They expect you to back them to the limit — To buy more bonds and to see that war equipment and supplies reach them in time.

CAN YOU TELL THE MARINES THAT YOU'LL NEVER LET THEM DOWN?

FIRE · MARINE · CASUALTY · SURETY

Loyalty Group
INSURANCE

HOME OFFICE

Firemen's Insurance Company of Newark, N. J.
Organized 1855The Girard Fire & Marine Insurance Company
Organized 1853National-Ben Franklin Fire Insurance Company
Organized 1866The Concordia Fire Insurance Co. of Milwaukee
Organized 1879Milwaukee Mechanics' Insurance Company
Organized 1862Royal Plate Glass & General Ins. Co. of Canada
Organized 1906The Metropolitan Casualty Insurance Co. of N.Y.
Organized 1874Commercial Casualty Insurance Company
Organized 1909

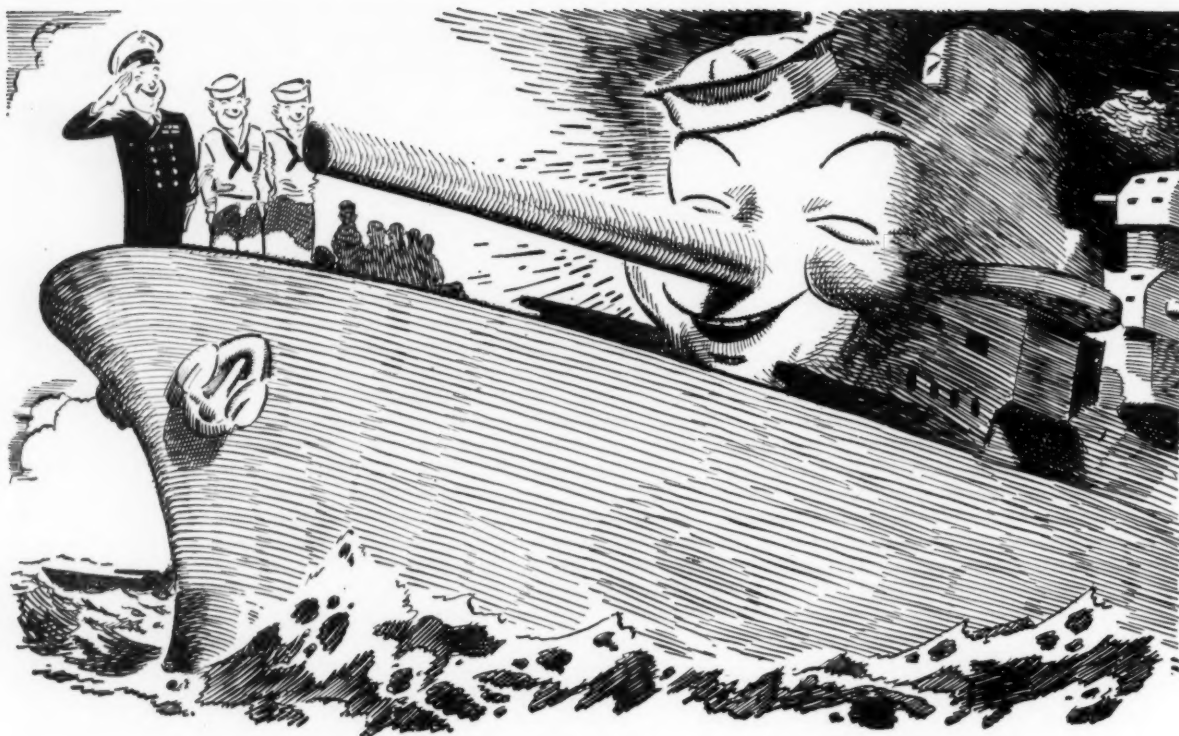
Pittsburgh Underwriters - Keystone Underwriters

18 PARK PLACE - NEWARK 1, NEW JERSEY

Western Department
120 So. LaSalle St.
Chicago 3, IllinoisForeign Department
111 John St.
New York 7, New YorkCanadian Departments
445 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.Southwestern Dept.
912 Commerce St.
Dallas 1, TexasPacific Department
220 Bush St.
San Francisco 4, Calif.

BUY MORE BONDS - - AND KEEP THEM

©Official U. S. Marine Corps Photo



To Bond or Not to Bond?

With apologies to The Bard, that is no question. The owner of a business can have no doubts as to the advisability of bonding employees if he plans to conduct his business on a practical, efficient, modern basis. Bonding has become as much an adjunct of the present day commercial firm as has the typewriter or adding machine.

During this war much has been said and written about morale. It is a vital factor in the performance of our armed forces both on sea and land. This ephemeral attribute is of equal concern in a business. Give a man a sense of importance, of making a valuable contribution

to the success of the institution and his feeling of well-being increases immeasurably and with it his enthusiasm and efficiency.

Bonding will accomplish this end as nothing else will. The man realizes that he will not be bonded unless his surety company trusts him, nor will he be bonded if he is of no importance in the firm. The Navy calls a ship manned by a high morale crew a "happy ship" and knows that it will successfully combat any mishap. With high morale employees bound together with businesslike ties, a firm will be ready, too, for any emergencies it may have to face.

All Forms of Fidelity, Surety and Forgery Bonds

THE TRAVELERS INDEMNITY COMPANY

HARTFORD, CONNECTICUT